



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

If calling please ask for: Democratic Services

15 September 2017

Finance, Risk and Assurance Committee

Order Paper for meeting to be held in the Level 2 East meeting room,
Westpac Stadium, Waterloo Quay, Wellington on:

Thursday, 21 September 2017 at 10.00am

Membership of Committee

Cr Swain (Chair)

Cr Blakeley
Cr Laidlaw
Cr McKinnon

Cr Donaldson
Cr Lamason
Cr Ogden

Kim Skelton

*Recommendations in reports are not to be construed as Council
policy until adopted by Council*

Finance, Risk and Assurance Committee

Order Paper for meeting to be held on Thursday, 21 September 2017 in the Level 2 East meeting room, Westpac Stadium, Waterloo Quay, Wellington at 10:00am

Public Business

| | | Page No |
|--|-----------------------------------|-----------|
| 1. Apologies | | |
| 2. Conflict of interest declarations | | |
| 3. Public participation | | |
| 4. Confirmation of the minutes of 17 May 2017 | Report 17.161 | 3 |
| 5. LGFA Presentation from Craig Stobo, Chairman, and Mark Butcher, CEO | Oral | |
| 6. Health and safety update | Report 17.339 | 8 |
| 7. NZTA Investment Audit 2017 | Report 17.313 | 16 |
| 8. Business Continuity Planning Update | Report 17.304 | 28 |
| 9. Summary of Financial Statements for year-end 30 June 2017 and year to 30 August 2017 | Report 17.344 (to come) | |
| 10. Risk Report – Including Risk Criteria | Report 17.321 | 32 |
| 11. Risk overview for Public Transport Operating Model (PTOM) and bus transition | Report 17.340 | 49 |
| 12. General Managers’ report to the Finance, Risk and Assurance Committee on 21 September 2017 | Report 17.322 | 55 |
| 13. Exclusion of the public | Report 17.349 | 76 |

Public Excluded Business

| | | |
|--|------------------------|-----------|
| 14. Public Transport Transformation Programme update | Report PE17.341 | 77 |
|--|------------------------|-----------|



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Please note that these minutes remain unconfirmed until the Finance, Risk and Assurance Committee meeting on 21 September 2017

Report 17.161

17 May 2017

File: CCAB-22-212

Public minutes of the Finance, Risk and Assurance Committee meeting held in the Jerningham Room, Level 7, Copthorne Hotel, 100 Oriental Parade, Wellington, on Wednesday 17 May 2017 at 9.31am

Present

Councillors Swain (Chair), Blakeley, Donaldson (from 9.38am), Laidlaw, Lamason (until 11.50am), McKinnon and Ogden (from 10.20am).

Kim Skelton.

Public Business

The Committee Chair welcomed Kim Skelton to the Committee, and introduced Lucy Matheson, the new General Manager, People and Customer.

1 Apologies

There were no apologies.

2 Conflict of Interest

There were no declarations of conflict of interest.

3 Public Participation

There was no public participation.

4 Confirmation of the minutes of 21 March 2017

Moved

(Cr Lamason/ Cr Blakeley)

That the Committee confirms the minutes of the meeting of 21 March 2017, Report 17.80.

The motion was **CARRIED**.

5 **Audit New Zealand – engagement letter and update**

Andy Burns, Audit Director, Audit NZ, and Zirus Zuber, Audit Manager, Audit NZ, spoke to the report.

Cr Donaldson arrived at the meeting during consideration of this item.

Report 17.143

File: CCAB-22-196

Moved

(Cr Donaldson/ Cr Lamason)

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*

The motion was **CARRIED**.

Noted: Councillors requested officers to provide more information on conflict of interest registers at a future Council workshop.

6 **Health and safety update**

Matthew Lear, Health and Safety Manager, spoke to the report.

Cr Ogden arrived at the meeting during consideration of this item.

Report 17.120

File: CCAB-22-190

Moved

(Cr Lamason/ Cr Swain)

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*

The motion was **CARRIED**.

The Committee thanked Matthew Lear for his diligence and leadership as Manager of the Health and Safety Team and wished him well for his secondment to the Public Transport group.

Noted: The Committee requested that officers bring some field based staff to the next meeting to talk about their experience of Health and Safety in the field.

The Committee agreed to address the remaining items on the agenda in the following order:

- General Managers' report to the Finance, Risk and Assurance Committee 17 May 2017
- Business assurance – work programme
- Summary Risk Report
- Risk Management in the Public Transport Group
- Economic update 2016
- Summary of Financial Statements for the year to 31 March 2017

7 **General Managers' report to the Finance, Risk and Assurance Committee 17 May 2017**

Matt Aldiss, Chief Information Officer, spoke to the report.

Report 17.119

File: CCAB-22-189

Moved

(Cr Lamason/ Cr McKinnon)

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*

The motion was **CARRIED**.

Noted: Officers agreed to provide Councillors with information about the Worldwide Virus - Ransomware Campaign "Wannacry".

The meeting adjourned for morning tea at 10.55am and resumed at 11.20am.

8 **Business assurance – work programme**

Mike Timmer, Treasurer, and David Nalder, Partner, PricewaterhouseCoopers, spoke to the report.

Councillor Lamason left the meeting at 11.50am, during consideration of this item.

Report 17.122

File: CCAB-22-194

Moved

(Cr Donaldson/ Cr Blakeley)

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*

3. *Supports the business assurance work programme.*

The motion was **CARRIED**.

Noted: The Committee requested that officers produce a report to Council on the Business Assurance project currently underway.

Noted: Officers agreed to provide Councillors with information about the bylaws applicable to harbour management.

9 **Summary Risk Report**

Mike Timmer, Treasurer, spoke to the report.

Report 17.121

File: CCAB-22-193

Moved

(Cr Donaldson/ Cr Blakeley)

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*

The motion was **CARRIED**.

10 **Risk Management in the Public Transport Group**

Angus Gabara, Manager Rail Operations provided an update to the Committee on risk management in the Public Transport Group.

11 **Economic update 2016**

Dave Grimmond, Economist, spoke to the report.

Report 17.130

File: CCAB-22-195

Moved

(Cr Donaldson/ Cr Swain)

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*

The motion was **CARRIED**.

Noted: The Committee requested that officers provide an economic forecast report for the next Committee meeting.

12 **Summary of Financial Statements for year to 31 March 2017**

Mark Ford, Finance Manager, spoke to the report.

Report 17.148

File: CCAB-22-203

Moved

(Cr Donaldson/ Cr Laidlaw)

That the Committee:

- 1. Receives the report.*
- 2. Notes the content of the report.*

The motion was **CARRIED**.

The meeting closed at 12.44pm.

P Swain
(Chair)

Date:



Report 17.339
Date 21 September 2017
File CCAB-22-229

Committee Finance, Risk and Assurance Committee
Author Mike Ward, Acting Health & Safety Manager

Health and safety update

1. Purpose

To inform the Finance, Risk and Assurance Committee on the health and safety performance of the organisation.

2. Background

The Greater Wellington Regional Council (GWRC) Organisational Performance Report contains an overview of the organisation's health and safety management against key metrics during the fourth quarter. A copy of the health and safety sections of the 'Highlights from the Fourth Quarter' and 'People and Customer Group' sections is contained in [Attachment 1](#). The Council has also received a Health and Safety Update (Report 17.279) at the 2 August 2017 Council meeting. This report contains supplementary information on other key initiatives and activities undertaken by the Health and Safety Team.

3. Health and safety review

GWRC is engaging Wilson Consulting Limited to complete a health and safety review of GWRC. Wilson Consulting Group has deep expertise and a superior reputation on working to build, implement and sustain a high performance safety culture. Lucy Matheson, General Manager, People and Customer, has previous experience working alongside the team from Wilson Consulting Group, and considers the value of their advice to be exceptional and certainly industry leading. They employ a people-centred approach to health and safety that focuses on driving the adoption of a safety mind-set. They operate from the principle that strong health and safety does not flourish from within the pages of a safety manual. The outcomes of this review will include:

- An objective view on the maturity of our safety culture, based on an assessment of both the system we have in place, and the behaviours demonstrated on a daily basis
- Advise GWRC on key focus areas to take the organisation to the next level of health and safety performance and maturity

- A recommended road map of actions for the next 3 years, to build health and safety maturity and safety leadership bench-strength across our organisation.

This work is expected to be conducted during the second quarter of 2017/2018.

4. ELT Serious Injury Response Workshop

With a view to preparing ourselves to respond well, should a serious health and safety incident occur, a brief workshop was conducted with ELT to ensure they are all aware of their required actions and the responsibilities should a fatality and/or serious injury occur. While our health and safety activity will continue to help ensure we need never call on this preparation, a plan is now in place, should the worst occur.

5. Communication

There is no communication required.

6. Consideration of Climate Change

The matters addressed in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

6.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Officers have considered the effect of the matters on the climate. Officers consider that the matters will have no effect.

Officers note that the matter does not affect the Council's interests in the Emissions Trading Scheme (ETS) and/or the Permanent Forest Sink Initiative (PFSI).

6.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Officers have considered the impacts of climate change in relation to the matters. Officers recommend that climate change has no bearing on the matters.

7. The decision-making process and significance

No decision is being sought in this report.

7.1 Engagement

Engagement on this matter is unnecessary.

8. Recommendations

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*

Report prepared by:

Mike Ward
Acting Health & Safety
Manager

Report approved by:

Lucy Matheson
General Manager, People and
Customer

Attachment 1: Highlights from the Fourth Quarter - Health and Safety sections

Overview | Health and Safety Indicators

Highlights and improvements



- ✓ Approximately 200 staff took the opportunity to receive the seasonal influenza vaccination this year.
- ✓ Trailer Use Project is progressing with a draft SOP, quick reference guide developed. Trailer use training, tailored and delivered in-house specifically for GWRC in collaboration with the training provider, has been provided to around a third of the 120 staff who will be trained by the end of the year. So far, the feedback from staff has been very positive.
- ✓ Increasing number of the ELT members participating in visits to GWRC workites.
- ✓ A new user interface and dashboard for KESAW (GWRC's Health and Safety information management system) has been developed.

Reporting of health and safety incidents

The graph below shows a small improvement this quarter in our reporting of incidents within 2 working days; however, we remain below our target of 95%. While the ambitious target was not achieved, it should be recognised that the average reporting never dropped below 84% across the whole year.

It is very positive to note that we started the 2016/17 year at 68% <2 working days and increased the average by 18% points (as shown in the blue hatch line in the graph below). This equates to a 26% improvement in the timeliness of reporting across the organisation.

Key Performance Indicators

While the Corrective Action Ratio target has not been achieved, there has been a 65% improvement from last financial year.

The number of days lost due to injuries at year end is 1.6 days lost per 100,000 hours worked. This is a positive result against our KPI of remaining below 7.5 days lost per 100,000 hours worked. The Health and Safety team continue to liaise with ACC on injury management and offer extensive support to our people in injury management and rehabilitation.

| Indicator | Target | Financial year end | Status |
|--|--------|--------------------|--------------------------------------|
| 1. Percentage of incidents reported within 2 working days | 95% | 86% | ● |
| 2. Ratio of the number of events to the number of subsequent actions (Corrective Action Ratio) | 0.40 | 0.32 | ● |
| 3. Days lost due to injuries, per 100,000hrs worked | 7.5 | 1.6 | ● |

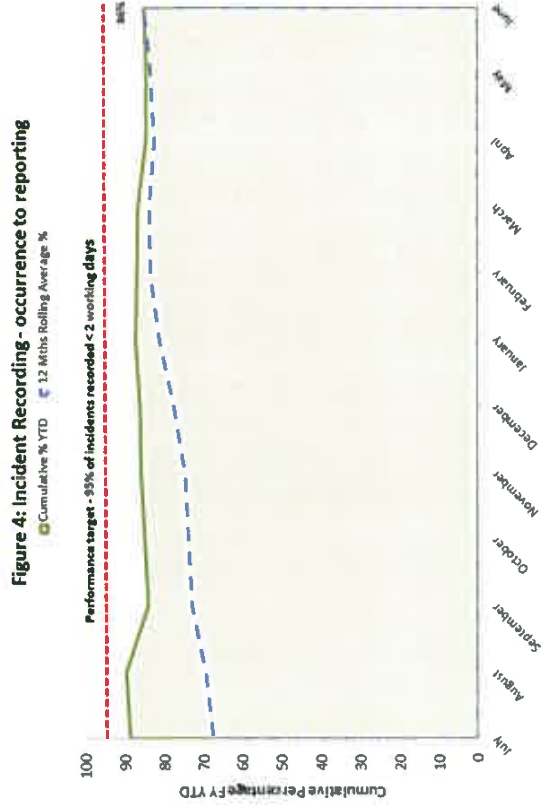


Figure 4: Incident Recording - occurrence to reporting

Health & Safety Trends

This section provides a summary of the Health and Safety performance of our organisation through trend data.

Lag indicators

Figure 1: the 'Lost Time, Medical Treatment & Total Recordable Injury Frequency Rates' graph shows our historical trend over a rolling 12 month period.

This graph shows the relationship between the frequency of Lost Time Injuries which results in time off work (LTIFR) and Medical Treatment Injuries which require treatment by a registered medical practitioner (MTIFR), but no time off work. The Total Recordable Rate (TRR) is the combination of the LTIFR and MTIFR.

The graph shows that our TRR slightly increased during February but reduced in March. This quarter one MTI and two LTI's were recorded. The TRR has ended the year below our target at 2.09 occurrences/100,000 hours worked. The LTIFR has also ended the year below our target finishing at 0.61 occurrences/100,000 hours worked. The MTIFR did not reach our target but did achieve an overall decrease for the year ending the on 1.47 occurrences/100,000 hours worked, down from the 1.84 at the end of June 2016.

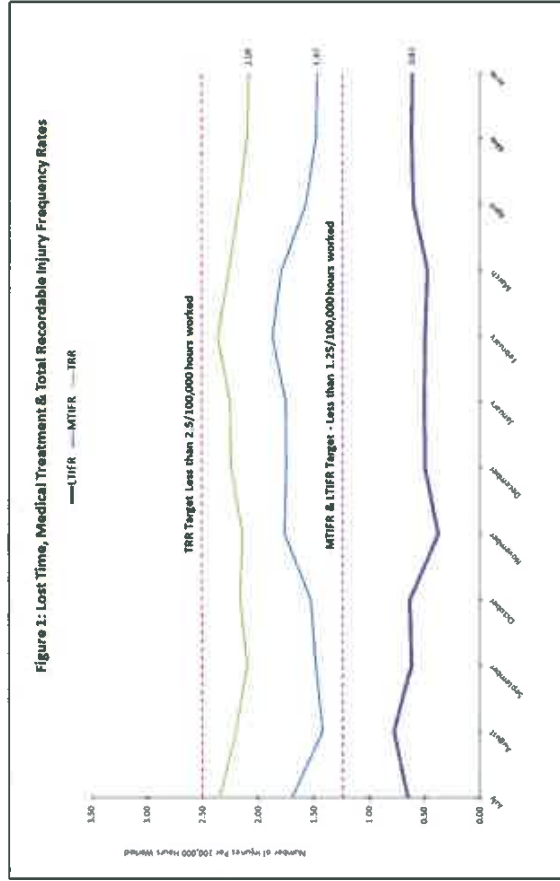


Figure 2: Injury Days Lost / Severity Rate

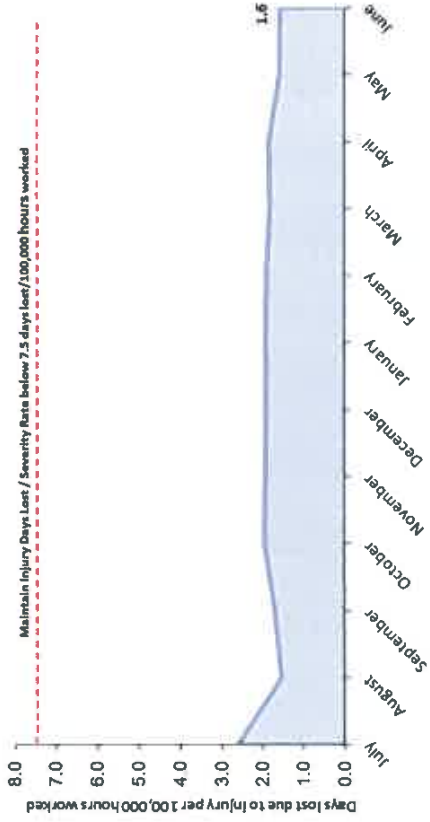


Figure 2: the 'Injury Days Lost/Severity Rate' graph shows the number of days lost per 100,000 hours worked due to work related injuries. The target is to maintain Injury Days Lost/Severity Rate below 7.5 days lost/100,000 hours worked.

This quarter resulted in a cumulative figure of 1.6 days lost per 100,000 hours worked. The graph shows we are maintaining our performance, through on-going effective and proactive management and support of staff injured at work, well below our target figure of 7.5 days lost per 100,000 hours worked.

Figure 3: Lost Time Injuries, Lost Days & Ratio

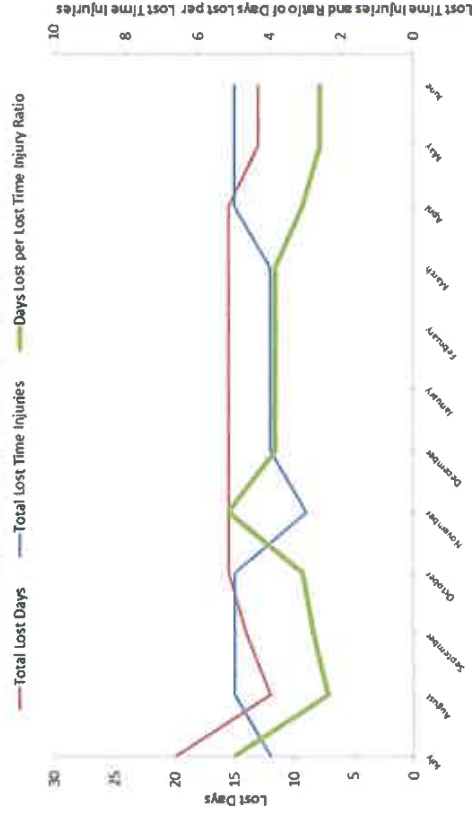


Figure 3: continues to indicate that our people are having fewer severe injuries and we are managing those injured more effectively; our performance in this indicator has improved across this quarter. Our objective is to achieve further reduction in lost time injuries as well as a reduction in lost days due to injury through effective injury prevention as well as proactive injury management and rehabilitation initiatives.

Figure 4: Incident Recording - occurrence to reporting

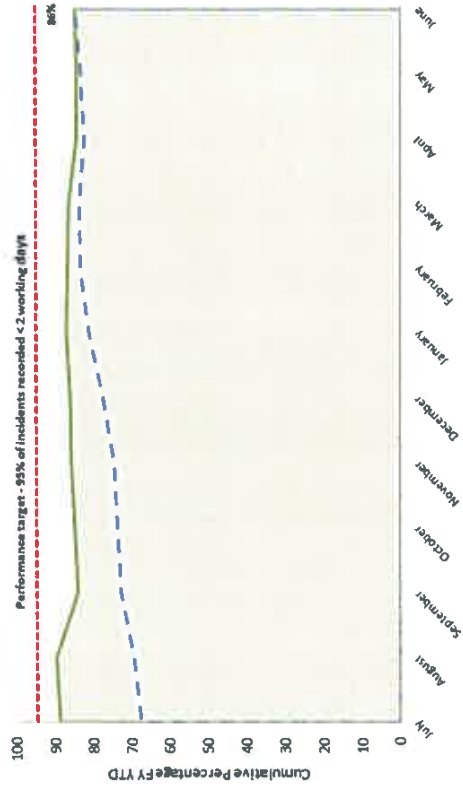


Figure 5: Proactive vs. Reactive Occurrence Reporting Ratio

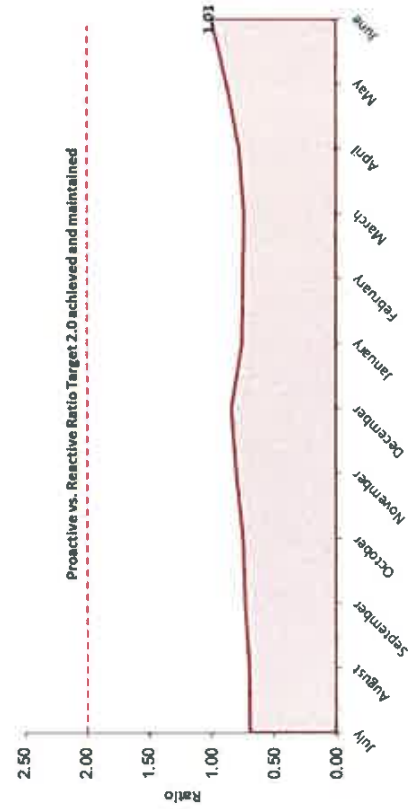
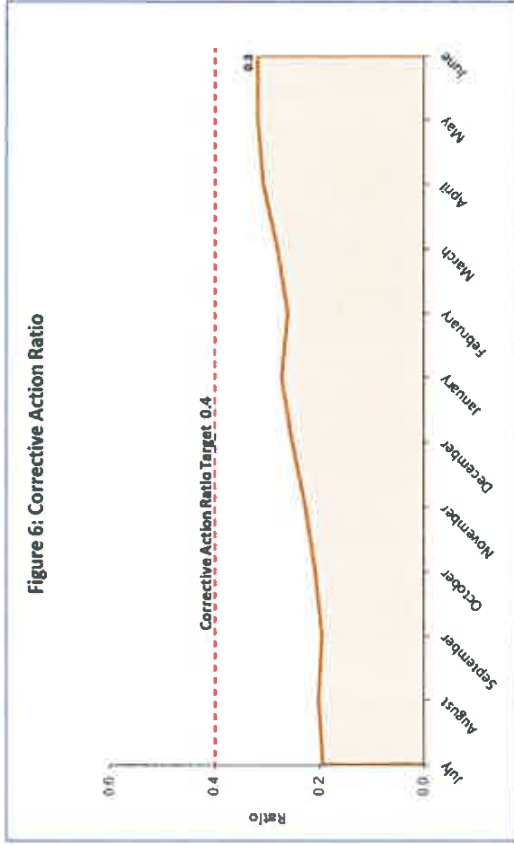


Figure 4: highlights the ratio of incident reporting to the agreed KPI on recording timeframes.

This measure was taken progressive measure for performance across the Financial Year. While the ambitious target was not achieved it should be recognised that the average reporting never dropped below 84% <2 working days across the whole year. Also it is very positive to look at the historical on-going measure we started the year at on 68% <2 working day and increased the average by 18% points. This equates to a 26% improvement in the timeliness of reporting across the organisation.

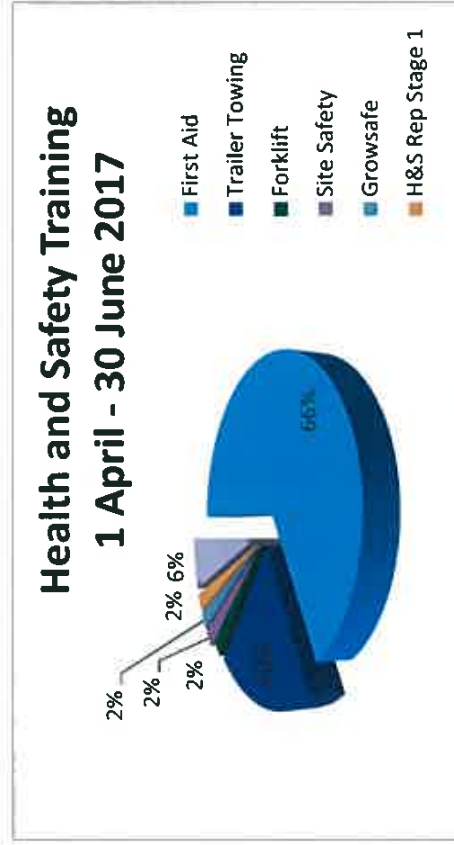
Figure 5 highlights the proactive to reactive reporting ratio that is tracking improvements in the reporting of potential risk (Pro-active incidents & hazards) over realised risks (Reactive incidents – accidents & property damage). This performance measure has increased from 0.70 to 1.01, which is a 44% improvement in recording of potential risk rather risk resulting in damage and/or injury.

Figure 6: shows a positive improvement across the quarter with good progress towards the target for this indicator. Our people are beginning to make better use of the function enabling them to record actions that they have taken to address identified risks within KESAW. With continued promotion and coaching around this by the H&S Team it is expected that this indicator should continue to show sustained improvement.



Health and Safety training

A significant part of our health and safety training this quarter focused on supporting our elected health and safety representatives with their Stage 1 H&S training course.





Report 2017.313
Date 24 August 2017
File CCAB-22-223

Committee Finance, Risk and Assurance Committee
Author Tass Larsen, Business Advisor, Public Transport

NZTA Investment Audit 2017

1. Purpose

To report the results of the New Zealand Transport Agency (the Agency) 2017 audit of their investment in Greater Wellington Regional Council's (GWRC) land transport programme.

2. Background

One of the statutory functions of the Agency is to audit the performance of regional councils and other organisations that receive funding through the National Land Transport Programme. The audits seek assurance that the programme is well managed and delivers value for money. The Agency's investment in the GWRC programme over the 2012-15 period was \$218 million.

This audit was undertaken in March 2017, and the final report was received in late May. The previous audit was undertaken in 2015 and reported to this Committee in Report 16.82.

3. Comment

The audit report is attached as [Attachment 1](#) and noted that:

- Compliance with procurement procedures had improved significantly since the previous audit, and issues relating to the development of road safety programmes have also been addressed
- GWRC's ability to monitor and manage service delivery has been improved by the use of real time information and will be further improved by the introduction of the interim bus ticketing system (Snapper) in 2018
- Claims for funding assistance were successfully reconciled against GWRC's general ledger

- All audit areas (issues identified in previous audits, financial management, procurement, contract management, Total Mobility and SuperGold Card schemes) were assessed as low risk, based on the Agency's assessment of:
 - Sound processes and procedures
 - Reliable management practices
 - Quality systems (assurance) in place
 - Agency requirements met.

The audit report also included suggestions from the audit team which officers are acting on.

4. Consideration of Climate Change

The matters requiring decision in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

4.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

The matters addressed in this report have no effect on the climate.

Officers note that the matter does not affect the Council's interests in the Emissions Trading Scheme (ETS) or the Permanent Forest Sink Initiative (PFSI).

4.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

The matters addressed in this report are not subject to the effects of climate change.

5. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

5.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term ‘significance’ has a statutory definition set out in the Act.

Officers have considered the significance of the matters, taking the Council’s significance and engagement policy and decision-making guidelines into account. Officers recommend that the matters to be considered are low significance,

Officers do not consider that a formal record outlining consideration of the decision-making process is not required.

5.2 Engagement

Engagement on the matters contained in this report aligns with the level of significance assessed. In accordance with the significance and engagement policy, no engagement on the matters for decision is required.

6. Recommendations

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Receives the NZTA Investment Audit Report 2017.*

Report prepared by:

Tass Larsen
Business Advisor, Public
Transport

Report approved by:

Angus Gabara
Acting General Manager,
Public Transport

Report approved by:

Luke Troy
General Manager, Strategy

Attachment 1: NZTA Investment Audit Report - Monitoring Investment Performance



April 2017

NZTA INVESTMENT AUDIT REPORT

Monitoring Investment Performance

This is the report of an investment audit we carried out under section 95(1)(e)(ii) of the Land Transport Management Act 2003.

| | |
|---|-------------------------------------|
| Approved Organisation (AO): | Greater Wellington Regional Council |
| Date of investment audit: | 6th – 9th March 2017 |
| Programme Value (2012–15 NLTP) – NZTA Investment | \$218,313,605 |
| Investment Auditors: | Tony Pinn and Glenn McGregor |
| Report No: | IATPI-1622 |

OBJECTIVE

The objective of this audit is to provide assurance that the NZ Transport Agency's (the Transport Agency) investment in Greater Wellington Regional Council's (GWRC) land transport programme is being well managed and delivering value for money. We also sought assurance that the Council is appropriately managing risk associated with the Transport Agency's investment. We recommend improvements where appropriate.

EXECUTIVE SUMMARY

Claims for financial assistance for the 2014/15 and 2015/16 financial years were reconciled against Council's general ledger records.

The previous audit identified a number of issues relating to compliance with procurement procedures. This area has improved significantly since then.

At the time of the audit GWRC was in the process of implementing the Passenger Transport Operating Model (PTOM).

Council's ability to monitor and manage service delivery is inhibited by the quality and form of patronage information it receives from its public transport providers. This issue will be addressed when Council gains direct access to the Snapper Ticketing System in July 2018. GWRC has implemented a real time information system to monitor the performance of the bus fleet. This now gives them good performance data to profile bus route performance. The rail and ferry services still use a paper ticket based system.

DISCLAIMER

While every effort has been made to ensure the accuracy of this report, the findings, opinions, and recommendations are based on an examination of a sample only and may not address all issues existing at the time of the audit. The report is made available strictly on the basis that anyone relying on it does so at their own risk, therefore readers are advised to seek advice on specific content.

Audit: Greater Wellington Regional Council

FINDINGS

RISK ASSESSMENT

| | Issue | Risk Assessment* |
|-----|--|-------------------------|
| Q.1 | Previous audit issues | Low |
| Q.2 | Financial management | Low |
| Q.3 | Procurement | Low |
| Q.4 | Contract Management | Low |
| Q.5 | Total Mobility & Super Gold Card Schemes | Low |

* Key to risk assessment – refer appendix B

Note: Before being finalised this report was referred to Greater Wellington Regional Council for comment. Council's responses are incorporated into the body of this report.

Audit: Greater Wellington Regional Council

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| Question 1: What issues if any are outstanding from the previous procedural audit (February 2015)? | |
| Findings | The previous audit undertaken in February 2015 (and follow-up July 2015) made recommendations relating to procurement procedures and the development of road safety programmes. Both issues have been addressed. |
| GWRC response | As a result of the last audit, we made improvements to our procurement procedures during the year. We are pleased that these changes have had a positive effect on this year's audit. |

| | |
|---|---|
| Question 2: Has the Council good financial systems in place to effectively manage the Transport Agency's investment in the delivery of its land transport programme? | |
| Findings | <p>Claims for financial assistance for the 2014/15 and 2015/16 financial years were reconciled against Council's general ledger records.</p> <p>The structure of the general ledger and linkages to the claims process is complex but necessary given the diversity of activities and the various funding assistance rates and agreements with the Transport Agency.</p> <p>There are a number of comments inserted into the worksheets that build up the claims for funding assistance. Due to staff movements in the claims management area, we suggest this worksheet is reviewed to ensure historical funding arrangements are captured and adequately documented.</p> <p>All invoices selected for review, were eligible for financial assistance and appropriately coded to Council's subsidised accounts.</p> <p>All were correctly accounted for and claimed under the relevant NZTA work category.</p> <p>One work category 531 Kapiti Park and Ride – Land Purchase and development was difficult to reconcile. The historical funding arrangement for this appears to be light in supporting documentation and the financial transactions lack any explanation. Given recent staff movements, it may be timely to ensure Council's funding arrangements with the Transport Agency are clearly understood and documented.</p> <p>Overall we found the financial systems and claims processes to be well managed given the complexity of funding across a range of activities.</p> <p>We encourage staff to ensure that good linkages between the general ledger and the claims for funding assistance continue to be maintained for audit purposes.</p> |

Audit: Greater Wellington Regional Council

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| Suggestion | We suggest that worksheets used to calculate claims are reviewed to ensure historical funding arrangements are captured and adequately documented. |
| GWRC response | We have put in place a process to review the claims worksheet and document the procedures we follow to complete a claim. As previously discussed, we intend to assign a new resource dedicated to ensure that funding arrangements with NZTA are well understood and clearly documented from contract approval to claim funding. |

| | |
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| Question 3: Has Council acted in accordance with its endorsed Procurement Strategy and NZTA's procurement procedures requirements? | |
|---|--|

| | |
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| Findings | <p>At the time of the audit Council was going through the process of evaluating bus contracts under the Passenger Transport Operating Model (PTOM).</p> <p>Existing bus contracts meantime are being continued on a monthly basis until the new services commence in July next year.</p> <p>Two professional services and two physical works contracts were selected for review. All complied with the Transport Agency's procurement requirements. The rail partnering contract let under PTOM has been let but was not reviewed in detail given the close involvement with the Transport Agency throughout the process. We also noted financial and probity assurance services provided by various consultants and Audit NZ.</p> <p>The previous audit identified a number of issues relating to compliance with the Transport Agency's procurement procedures. We note that this area has improved markedly since the last audit.</p> |
| GWRC response | During the year we reviewed our contract procurement procedures. Following this, we put in place additional rules and procedures to avoid any non-compliance issues. We are pleased that you have noted an improvement in this area. We are continually looking to make further improvements. |

| | |
|--|--|
| Question 4: Are Council's public transport contracts managed effectively and are good patronage and revenue collection validation processes in place? | |
|--|--|

| | |
|-----------------|---|
| Findings | A sample of monthly bus operators' patronage reports was validated against Council database and the annual totals were checked through to the Transport Investment Online (TIO) achievement report for 2015/16. |
|-----------------|---|

Audit: Greater Wellington Regional Council

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|----------------------|---|
| | <p>The patronage data however is provided via the operator's electronic ticketing machine data but is not validated by Council due to data sharing constraints. Since the last audit Council has implemented a real time information system (RTI) to monitor the performance of the bus fleet. It is able to use the information it derives from the RTI to validate bus route performance against bus operator reports.</p> <p>Contracts to date have been let under a net agreement, where the fare revenue risk is borne by the operator. Council are now moving to a gross contract environment where the fare revenue belongs to Council. The recently awarded rail partnering contract is an example of this. As the bus and ferry contracts also move to a gross contract environment Council will need to consider measures to ensure adequate processes are in place to protect its revenue streams.</p> |
| <p>GWRC response</p> | <p>We are currently doing a lot of planning around revenue protection mechanisms. We undertook an audit of Transdev's revenue process during the year. Once we adopt Snapper as the interim bus ticketing solution, the Council will need a Performance Analyst resource to analyse performance and ensure revenue protection.</p> |

| | | |
|--|--|--|
| <p>Question 5: Does Council have appropriate systems in place for the effective delivery of the Total Mobility and SuperGold Schemes?</p> | | |
| <p>Findings</p> | <p>Greater Wellington's management of its Total Mobility Scheme was the subject of a special audit by the Transport Agency in August 2016 and therefore was not included for review as part of this audit. The August 2016 audit concluded that Greater Wellington had appropriate systems in place to effectively deliver the Total Mobility scheme.</p> <p>SuperGold patronage was validated as part of the review of overall public transport (Question 4 above). Validation of SuperGold patronage is frustrated by the continuing data sharing constraints. This will be addressed for bus contracts in July 2018 when Council gains direct access to the Snapper Ticketing system.</p> <p>We also documented the average fare reimbursement calculations of the SuperGold scheme. Our thanks to Council staff for their co-operation and assistance with this.</p> | |
| <p>GWRC response</p> | <p>Noted.</p> | |

APPENDIX A

AUDIT PROGRAMME

1. Previous audit February 2015 (and follow-up July 2015)
2. Final claims for 2014/15 and 2015/16
3. Reconciliation between ledgers supporting final claim and the audited financial statements
4. Transactions (accounts payable)
5. Procurement Procedures
6. Contract Management and Administration
7. Patronage validation
8. Total Mobility Scheme
9. SuperGold Scheme
10. Passenger transport infrastructure – bus centres and shelters
11. Road safety promotion
12. Multi-Party Agreements (if applicable)
13. Transport Investment On-line (TIO) Reporting
14. Other issues that may be raised during the audit
15. Close out meeting

APPENDIX B

RISK ASSESSMENT TABLE

| | |
|----------|---|
| Low | <ul style="list-style-type: none"> • Sound processes and procedures. • Reliable management practices. • Quality systems (assurance) in place. • NZ Transport Agency requirements met. |
| Medium | <ul style="list-style-type: none"> • Error and omission issues to be addressed. • Limited risk to the Transport Agency/ Council. |
| High | <ul style="list-style-type: none"> • Systemic and significant issues to be addressed. • Substantial risk to the Transport Agency/ Council. |
| Critical | <ul style="list-style-type: none"> • Serious issues that must urgently be addressed. • Serious risk to the Transport Agency/ Council. |

APPENDIX C

Audit: Greater Wellington Regional Council

PUBLIC TRANSPORT CONTRACTS AUDITED

| Contract Number | Tenders Received | Date Let | Description | Contractor | | |
|-----------------|------------------|------------|--|-------------------------|---|------------------------------|
| | | | Professional Services | | | |
| PT0518 | 3 | March 2016 | Programme Planner/Coordinator | Jackson Stone | 3 agencies contacted from the AoG Recruitment panel | \$89,500 |
| PT0515 | 2 | Feb 2016 | Fleet Transition Manager | Worklife Group | 2 agencies contacted from the AoG Recruitment panel | \$234,876 (Inc variation) |
| | | | PTOM | | | |
| PT0416 | 3 | March 16 | Rail Partnering Contract | Transdev Wellington Ltd | | Negotiated |
| | | | Physical Works | | | |
| PT0502 | 3 | May 16 | Metro Stations Heavy Maintenance | Service Resources Ltd | Estimate Let Price | \$750,000 \$1,350,000 |
| PT0496 | 4 | May 16 | Commuter Car Park Maintenance and Construction | Fulton Hogan | Estimate Let Price | \$1,800,000 \$968,227 |

Audit: Greater Wellington Regional Council

Investment Audit of Greater Wellington Regional Council

Report Number: IATPI: 1622

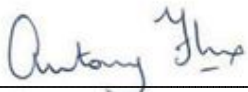
April 2017

Prepared by: 

Tony Pinn, Senior Investment Auditor

Reviewed by: 

Glenn McGregor, Senior Investment Auditor

Approved by: 

Antony Flux, Investment Assurance Manager (Acting)



Report 17.304
Date 5 September 2017
File CCAB-22-220

Committee Finance, Risk and Assurance Committee
Author Matthew Lear, Acting Manager, Bus Operations

Business Continuity Planning Update

1. Purpose

The purpose of this report is to update the Finance, Risk and Assurance Committee on Greater Wellington Regional Council's (GWRC) crisis and emergency management system and process.

2. Background

An effective crisis and emergency management system is critical for our organisation, to ensure that appropriate levels of preparedness in the event of a disruption to our organisational tasks are in place. This is necessary to support meeting customer and stakeholder expectations, and to deliver a high level of confidence in GWRC's recovery capabilities.

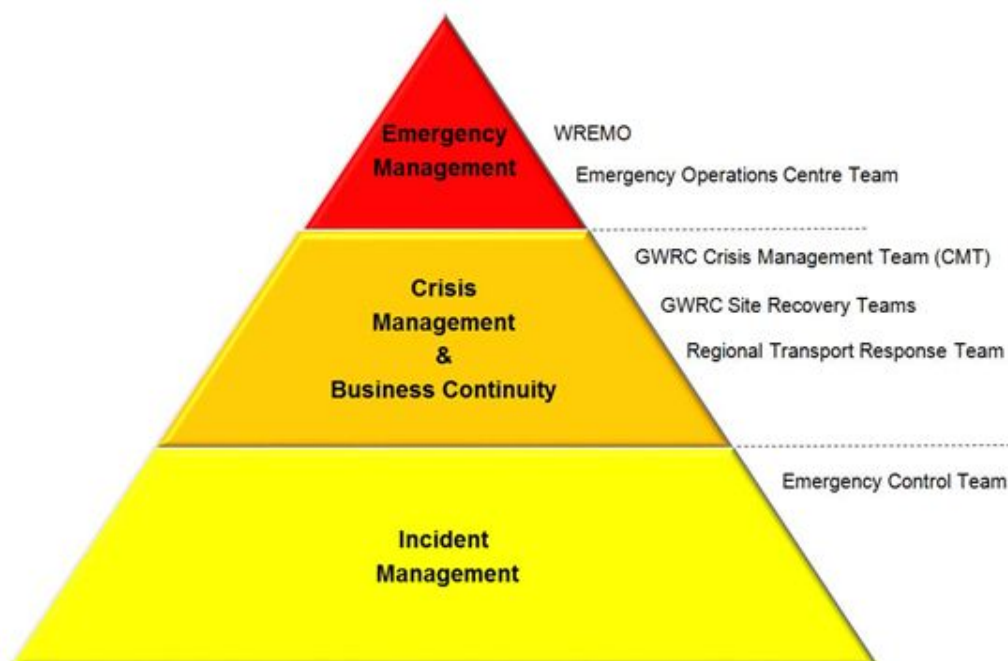
In September 2016, GWRC engaged an internationally recognised consultancy, Risk Logic, to support us in the updating and development of our Crisis and Emergency Management System (CEMS) Policy and Framework, and also our Business Continuity and Site Recovery Plans.

3. Crisis and Emergency Management System

Our CEMS Policy and Framework considers GWRC's strategic response to a crisis. It also considers the wider structural context necessary for the organisational continuity required to manage critical business as usual processes, whilst dealing with potentially serious events.

GWRC's response to an emergency event is focused on business continuity of our critical services. This business continuity will involve partnering with other organisations, and supporting and communicating with each other. This is a different focus to the responsibilities of the Wellington Regional Emergency Management Office (WREMO), which is responsible for co-ordinating the response to a civil defence emergency with the primary focus on directly supporting our communities.

The following diagram shows where the GWRC teams support the crisis and emergency management structure.



The diagram shows that the WREMO team leads the response to civil emergencies. The GWRC Crisis Management Team (CMT) focuses on crisis management within our organisation and GWRC business continuity. Specific incidents relating to GWRC are managed through an Emergency Control Team on an as-needed basis.

4. Crisis Management and Site Recovery Plans

GWRC’s initial response to an emergency event will be managed through the CMT which consists of the members of the GWRC Executive Leadership Team as well as other subject-skilled specialists, called into the team on an as-required basis.

The CMT will ensure that an initial strategic direction is set for the recovery or continuation of GWRC’s critical organisational functions. To support the CMT in these tasks we have Crisis Management and Site Recovery Plans.

4.1 Crisis Management Plan

There is one overarching organisational Crisis Management Plan which supports the CMT in operationally responding to a crisis, by helping them:

- Assess the crisis and activate the CMT if required
- Establish a command centre
- Implement immediate crisis actions
- Assess organisational impacts
- Manage the on-going organisational response.

4.2 Site Recovery Plans

Site Recovery Plans hold information required to undertake organisational critical functions, should there be a need to locate to an alternative site. This

includes information such as GWRC organisational groups identifying the minimum support required to implement their recovery state.

It is important to acknowledge the many locations across our region which GWRC teams operate from and the role these alternative sites will play in a crisis. Our Site Recovery Plans are focussed on firstly stabilising the situation and then recovering our critical operations.

5. Training and Support

Two training workshop sessions have been held with the CMT during June and August 2017 in order to support the team's crisis management skills.

The first session supported the CMT in the key skills of crisis management by outlining different types of crises and the management approaches to them. The second session was a simulation exercise of a crisis where the CMT was activated to manage a crisis scenario. Whilst managing this scenario, the CMT utilised the Crisis Management Plan and other supporting crisis management documentation.

There will be ongoing training and support for the CMT in crisis management, using methods such as scenario training, in order to hone their skills. Through this training and support, the preparedness of the CMT to manage a crisis will increase.

6. Next Steps

The crisis and emergency management documents will be briefed to GWRC management teams. This will give assurance to our people that we have an effective crisis management system and process.

6.1 Crisis Management Apps

Officers are considering options to digitise our Business Continuity Plan and supporting documents.

A digital crisis management option would increase our organisational efficiency and reaction time in managing a crisis, by moving away from paper-based systems.

There are a number of different suppliers of digital platforms for crisis management in the marketplace and officers are currently conducting a needs analysis.

7. Communication

There is no communication required.

8. Consideration of Climate Change

The matters addressed in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

8.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Officers recommend that the matters addressed in this report have no bearing on climate change mitigation.

Officers note that the matter does not affect the Council's interests in the Emissions Trading Scheme (ETS) or the Permanent Forest Sink Initiative (PFSI).

8.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Officers have considered the impacts of climate change in relation to the matters. As the climate continues to change, the severity of extreme weather events is expected to increase. Officers recommend that this will have a material impact on the business continuity and crisis management planning of GWRC and a detailed scenario analysis (DSA) is therefore warranted. The DSA will utilise regional climate change projections to determine levels of risk across GWRC's functions and services and will form an integral aspect of GWRC's business continuity planning.

9. The decision-making process and significance

No decision is being sought in this report.

9.1 Engagement

Engagement on this matter is unnecessary.

10. Recommendations

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*

Report prepared by:

Matthew Lear
Acting Manager, Bus
Operations

Report approved by:

Dave Humm
General Manager, Corporate
Services/Chief Financial
Officer



Report 17.344
Date 12 September 2017
File CCAB-22-236

Committee Finance, Risk and Assurance
Author Mark Ford, Strategic Finance Manager

Summary of Financial Statements for year - end 30 June 2017 and year to 31 August 2017

1. Purpose

For the Finance, Risk and Assurance Committee to receive the summary performance report for the year ended 30 June 2017 and year to date 31 August 2017.

2. Background

This report provides a review of the financial performance of Council activities ([Attachments 1](#) and [2](#)).

Year end 30 June 2017

Overall the Council is in a favourable operating position against budget for the year-end position.

Actual operating performance (before capital grants and fair value) is **\$1.7m favourable** to budget. Excluding earthquake related costs of \$2.5m, and loss of Centre Port Dividend \$3.7m underlying performance is **\$7.9m favourable** to budget.

The favourable variance (excluding earthquake impact) is primarily due to timing in the delivery of the Public Transport Transformation programme, lower bus and rail operations costs, higher rail patronage, and timing of activity in the Catchment and Environment Management groups.

Capital expenditure is **\$21.0m favourable to budget** due to the timing of Public Transport upgrade and rail heavy maintenance expenditure, Riverlink property acquisitions, ICT expenditure, and a number of smaller projects in the Environment group.

Year to 31 August 2017

The year to date operating position is **\$2.0m favourable to budget**. The favourable variance is due to timing of activity across Public Transport.

Capital expenditure is **\$7.0m favourable to budget** due to the timing difference related to Public Transport - Fares and Ticketing programme, plus Bus network and Rail operations infrastructure.

Full Year Forecast

The first full year forecast of the year shows an operating deficit that is currently **\$3.4m favourable to budget**.

The favourable variance is primarily due to timing of the trolley bus decommissioning which is due to commence in November, with the process extending into next financial year. Also contributing to the favourable position is higher fare revenue due to patronage growth and timing on PT transition costs to the new operating model.

Capital expenditure is **\$2.5m favourable to budget** due to the timing of Riverlink property acquisitions and ICT expenditure.

3. Communication

There is no communication required.

4. Consideration of Climate Change

The matters addressed in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

6.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Officers have considered the effect of the matters on the climate. Officers consider that the matters will have no effect.

Officers note that the matter does not affect the Council's interests in the Emissions Trading Scheme (ETS) and/or the Permanent Forest Sink Initiative (PFSI).

6.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Officers have considered the impacts of climate change in relation to the matters.
Officers recommend that climate change has no bearing on the matters.

5. The decision making process and significance

No decision is being sought in this report.

6. Engagement

Engagement on this matter is not necessary.

7. Recommendations

That the Committee:

1. ***Receives the reports.***
2. ***Notes the content of the report.***

Report prepared by:

Mark Ford
Strategic Finance Manager

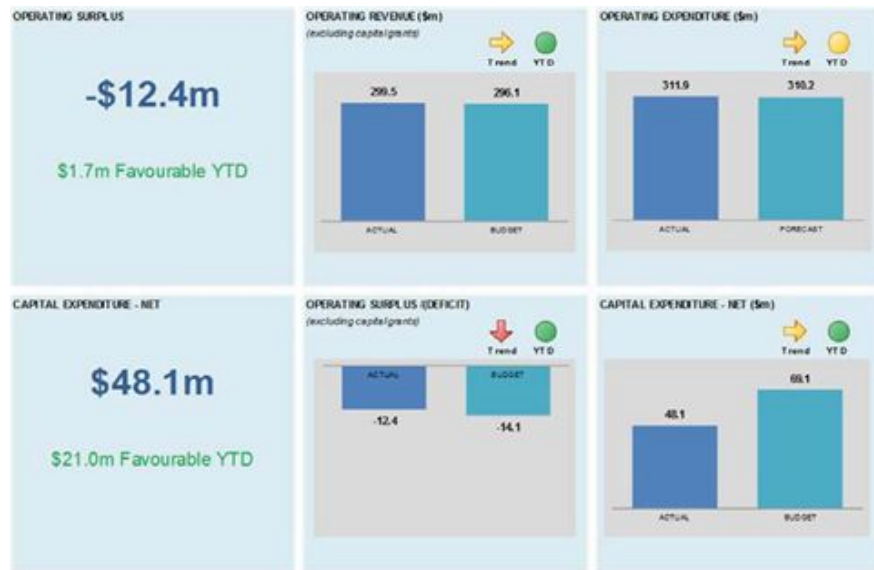
Report approved by:

Dave Humm
General Manager Corporate
Services / Chief Financial
Officer

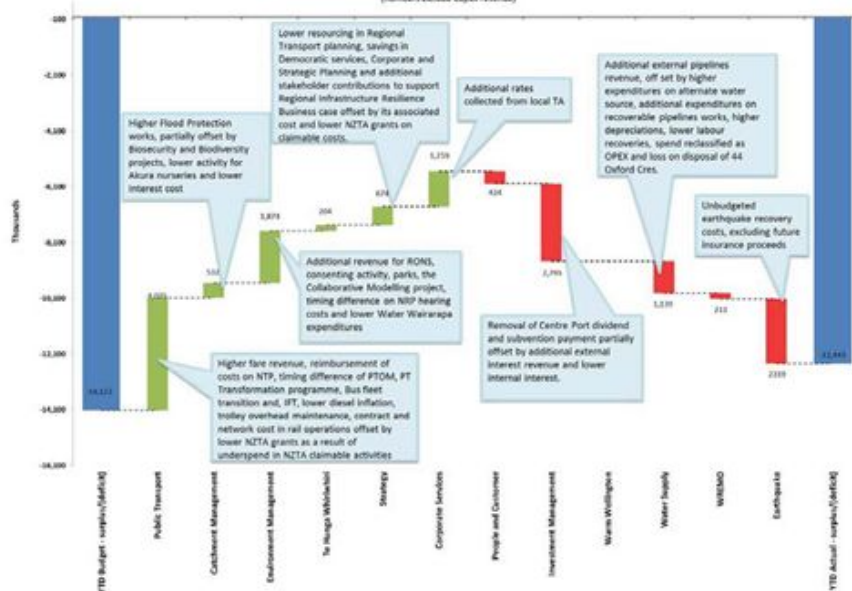
Attachment 1: Financial Summary - full year - June 2017

Attachment 2: Financial Summary as at 31 August 2017

Cross Council Overview Financial Summary – Full Year Actual vs Full Year Budget



Operating Surplus/(Deficit): Budget v Actual (numbers exclude Capex revenue)



Council Summary

Actual operating performance (before capital grants and fair value) is **\$1.7m favourable** to budget. Excluding earthquake related costs of \$2.5m, and loss of Centre Port Dividend \$3.7m underlying performance is **\$7.9m favourable** to budget. The variance is primarily related to Public Transport – lower rail operating, diesel bus and trolley maintenance costs, higher fare revenue and timing of expenditure on transformation and Fare and Ticketing projects, additional rates collected from local TA's, release of prior year accruals Catchment – changes in the planned delivery of wetland restoration programmes and lower activity for land management and Akura and Environment - additional RONS revenue and consenting activity. Partially offset by the additional costs to support bulk water.

FY Business Group Commentary:

- Operating Revenue: \$3.4m Favourable**

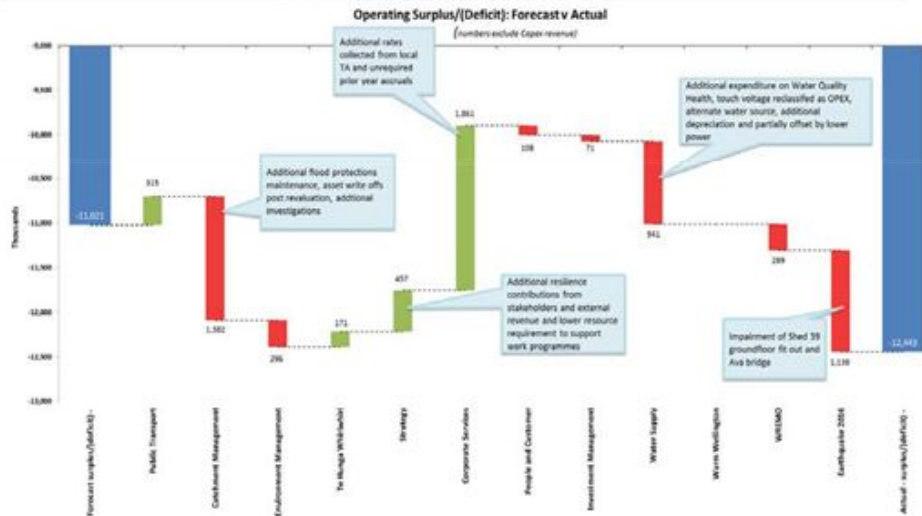
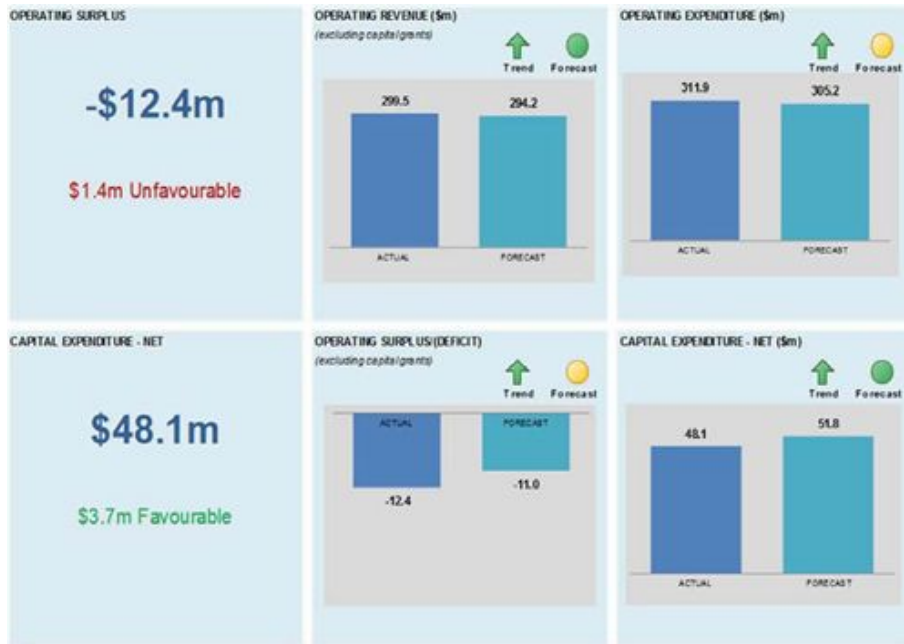
Public Transport is **\$0.5m unfavourable** to budget, largely reflecting lower NZTA grants as a result of underspend in NZTA claimable activities (\$4.2m) offset by higher fare revenue (\$2.4m) and reimbursement of costs on NTP (\$1.3m).
Catchment is **\$0.8m favourable** to budget, largely reflecting prior year Hutt River Parking revenue share from HCC (\$0.4m), Riverlink rental income (\$0.1m), additional biosecurity pest control (\$0.4m) offset by lower activity from Akura because of unfavourable planting conditions due to low rainfall (\$0.2m).
Environment is **\$2.1m favourable** to budget reflecting additional RONS revenue and other consenting activities (\$1.5m), monitoring revenue from Wellington Water and MFE for the Collaborative Modelling project (\$0.5m), license revenue, camping fees, and NZTA revenue for Parks (\$0.4m), partially offset by reduced Crown funding for the Water Wairarapa project (\$0.3m).
Strategy is **\$0.4m favourable** to budget which reflects additional stakeholder contributions to support Regional Infrastructure Resilience Business case (\$0.8m), offset by lower NZTA grants on claimable costs (\$0.4m).
Corporate Services is **\$1.5m favourable** to budget, largely reflecting additional rates revenue of \$1.3m received from local TAs from growth in rating units.
Investment Management is **\$2.4m unfavourable** to budget reflecting the removal of the Centre Port dividend and subvention payment of \$3.7m, partially offset additional interest earned (\$1.5m) on the prefunding of debt and other investment.
Water Supply is **\$1.1m favourable** to budget largely reflecting additional external pipelines & private supply revenue (\$1m) and a higher interest rate on contingency funds (\$0.1m).

- Operating Expenditure \$1.7m Unfavourable**

Public Transport is **\$4.5m favourable** to budget, reflecting timing difference of PTOM, PT Transformation (\$1.9m) and Fares & Ticketing (\$0.4m), lower diesel bus inflation reflecting the lower oil price and stronger NZD (\$0.2m), lower trolley overhead maintenance cost (\$1.0m), lower contract and network cost in rail operations (\$0.4m), Marketing and Communications (\$0.2m) and Rail & Bus Studies (\$0.2m).
Catchment is **\$0.3m unfavourable** to budget, reflecting Flood Protection asset revaluation loss on disposal \$0.5m, partially offset by minor savings in other activities.
Environment is **\$0.2m unfavourable** to budget, additional costs to support resource consent activity (\$1.1m), additional science resourcing (\$0.2m) offset by NRP hearing costs re-budgeted to 17/18 (\$0.8m) and reduced Water Wairarapa expenditure (\$0.4m).
Te Hunga Whiriwhiri is **\$0.2m favourable** to budget, reflecting lower spend against programmes.
Strategy is **\$0.3m favourable** to budget, reflecting lower costs in Regional Transport planning (\$0.8m), savings of consultant costs in Corporate and Strategic Planning (\$0.5m) and operating costs in Democratic Services (\$0.3m) offset by the additional costs in Regional Infrastructure Resilience project (\$0.8m) and additional resource to support Sustainable Transport.
Corporate Services is **\$0.2m unfavourable** to budget, due to the additional rating & doubtful debt costs (\$0.4m) and agreed resourcing for Finance, PMO, LAMP and CE support, offset by saving in CFO and unrequired prior year accruals.
People and customer is **\$0.5m unfavourable** to budget due to additional resource to the Customer Contact Centre & Admin Group (\$0.4m) & Communication & Marketing (\$0.2m). Partially offset by lower organisation training and Health & Safety expenditure.
Investment Management is **\$0.4m unfavourable** to budget reflecting additional funding cost from prefunding of debt and lower internal interest recoveries due to the timing difference in capex and growth in debt levels.
Water Supply is **\$2.2m unfavourable** to budget, largely reflecting higher depreciation from asset capitalisations (\$0.5m), loss on sales of 44 Oxford Cres (\$0.3m), touch voltage & other minor projects reclassified from CAPEX to OPEX (\$0.4), Water Quality Health (\$0.6m), CHP alternate water sources (\$0.5m), Resource costing recovery (\$0.5m) partially offset by lower power & chemical use (\$0.7m).
 Unbudgeted **Earthquake** recovery costs to date are **\$2.5m**, which includes major items such as the asset impairment of Shed 39 fit out and Ava Bridge \$1.1m and additional operating costs for Walter Street \$0.8m. This amount *excludes* insurance proceeds, which will be determined once the claims process is completed.

- Fair value \$12.7m Favourable**
Fair value gain of **\$12.7m favourable** to budget reflects the unrealised gain on interest rate swaps/hedges at balance date due to increases in market interest rates.
- Capital Expenditure \$21.0m Favourable**
Public Transport is **\$8.7m favourable** to budget reflecting later than planned use of the Matangi contingency (\$2.8m), purchase of a simulator (\$2.2m), and lower heavy maintenance on the trains (\$2.6m), and Interim Bus Ticketing Solution (\$1.0m).
Catchment is **\$7.3m favourable** to budget due to timing of property acquisitions for the Hutt River Flood Protection – Riverlink (\$4.9m), timing difference in Kapiti improvements (\$1.0m), FMP investigations (\$0.8m) and resource consent for Western Rivers (\$0.5m).
Environment is **\$2.1m favourable** to budget reflecting timing difference on QEP entranceway (\$0.2m), Baring Head (\$0.8m), Collaborative Modelling (\$0.4m), other Parks CAPEX (\$0.4m) and the Pencarrow and Hinds Point light upgrades for Harbours (\$0.3m).
Corporate Services is **\$2.9m favourable** to budget reflecting lower ICT project spend and core system refresh.

Cross Council Overview Financial Summary – Full Year Actual vs Full Year Forecast



Council Summary

Actual operating performance (before capital grants and fair value movements) is **\$1.4m unfavourable** to forecast. Excluding earthquake related costs of \$2.5m, underlying performance is **\$1.1m favourable** to forecast. This variance primarily relates to additional rates collected from local TA's, release of prior year accruals, lower than forecast resourcing in Strategy and Te Hunga Whiriwhiri, partially offset by additional Flood Protection Maintenance & asset write offs and additional costs to support Bulk Water.

FY by Business Group

- Operating Revenue: \$5.3m Favourable**
Public Transport is **\$2.4m favourable** to forecast largely reflecting additional fares and external of \$1.7m due to patronage growth and higher than forecast reserve interest \$0.2m. Internal revenue for IFT is \$0.5m greater than forecast this is offset by higher internal costs noted below.
Catchment is **\$0.9m favourable** to forecast, reflecting additional Akura, farm erosion and environment plan activity of \$0.4m, extra Biosecurity work for city councils and MPI (new pest plant incursions) \$0.3m, Riverlink rent revenue \$0.1m and Belmont restoration revenue of \$0.1m
Environment is **\$0.5m favourable** to forecast largely reflecting additional consenting activity \$0.2m and State of Environment monitoring revenue of \$0.3m.
Strategy is **\$0.2m favourable** to forecast which reflects additional stakeholder contributions to support Regional Infrastructure Resilience Business case (\$0.1m) and additional external revenue of \$0.1m for sustainable transport from NZTA to cover additional resource and overheads.
Corporate is **\$1.5m favourable** to forecast which largely reflects additional rating revenue of \$1.3m collected by local T/A from growth in the rate payer base during the year.
- Investment Management** is **\$0.2m unfavourable** to forecast, reflecting higher than forecast reserve interest payments to GW business units based on reserve balances.
- Warm Wellington** is **\$0.3m unfavourable** to forecast, reflecting lower than planned numbers of ratepayers participating in the insulation programme.
- Water Supply** is **\$0.2m favourable** to forecast reflecting additional external revenue generated (\$0.2m).
- Operating Expenditure \$6.7m Unfavourable**
Public Transport is **\$2.1m unfavourable** to forecast, largely reflecting additional expenditure to support rail & bus operations and key PT programmes.
Catchment is **\$2.2m unfavourable** to forecast largely reflecting additional materials for flood damage repair \$0.7m, asset disposals from FP revaluation \$0.5m, additional FP investigations \$0.3m, additional Land Management activity \$0.3m and additional pest control work \$0.3m
Environment is **\$0.8m unfavourable** to forecast reflecting additional fees for hearings and Whaitua committees \$0.2m, additional Science personnel costs \$0.1m and investigation projects \$0.3m and additional Parks roading and fencing maintenance \$0.2m.
Te Hunga Whiriwhiri is **\$0.2m favourable** to forecast reflecting the reduced expenditure from the reversal of unrequired prior year cost from purchase orders.
Strategy is **\$0.2m favourable** to forecast reflecting minor changes in resources to support work streams
Corporate Services is **\$0.4m favourable** to forecast, largely reflecting the unforecast release of un-utilised prior year accruals \$0.7m, partially offset by ICT capex reclassified as OPEX \$0.3m.
Water Supply is **\$1.1m unfavourable** to forecast, largely reflecting additional costs for Water Quality Health \$0.5m, touch voltage costs reclassified to OPEX from CAPEX \$0.3m, additional project costs for alternate water sources \$0.3m and additional depreciation from asset capitalisations during the year \$0.3m, partially offset by lower power \$0.2m.
Warm Wellington is **\$0.3m favourable** to forecast, reflecting lower than planned supplier payments to support the programme as noted above in revenue.
WREMO is **\$0.4m unfavourable** to forecast, largely reflecting a timing difference in the resourcing and delivery of WREMO operations and programmes.
 Unbudgeted **earthquake recovery costs** are currently **\$1.2m unfavourable** forecast, largely reflecting the unforecast impairment of Shed 39 ground floor fit out \$0.9m and Ava Bridge. This amount excludes future insurance proceeds, which will be determined once the claims process is completed.
- Fair Value \$12.7m Favourable**
 Fair value gain of **\$12.7m favourable** to forecast reflects the unrealised gain on interest rate swaps/hedges at balance date due to increases in market interest rates.
- Capital Expenditure \$3.7m Favourable**
Public Transport is **\$2.1m favourable** to forecast largely reflecting lower than planned expenditure train heavy maintenance.
Catchment is **\$0.3m favourable** to forecast largely reflecting minor timing differences in planned work programmes and timing of property acquisitions for the Hutt River Flood Protection Upgrade – Riverlink.
Corporate Services is **\$0.3m favourable** to forecast, largely reflecting timing of planned ICT projects.
Water Supply is **\$0.5m favourable** to forecast reflecting lower than planned reactive maintenance \$0.2m and touch voltage expenditure reclassified as OPEX.
Environment is **\$0.3m favourable** to forecast, largely reflecting minor timing difference in some planned capex.

Cross Council Overview Financial Summary ('000s)

Statement of Revenue and Expense by Business Group - Actual v Budget

| \$000 | FULL YEAR | | | | FULL YEAR | | | | FULL YEAR | | | |
|------------------------|---------------------|----------------|-------------------------|-----------|---------------------|----------------|-------------------------|-----------|---------------------------------|-----------------|---------------------------------|------------|
| | Operational Revenue | | Operational Expenditure | | Operational Revenue | | Operational Expenditure | | Operational Surplus / (Deficit) | | Operational Surplus / (Deficit) | |
| | Actual YTD | Budget YTD | Variance | % | Actual YTD | Budget YTD | Variance | % | Actual YTD | Budget YTD | Variance | % |
| Group | | | | | | | | | | | | |
| Public Transport | 174,882 | 175,371 | 489 | 0% | 174,043 | 178,567 | 4,524 | 3% | 839 | (3,190) | 4,029 | 128% |
| Catchment Management | 36,903 | 36,119 | 784 | 2% | 29,360 | 29,128 | 232 | 1% | 7,523 | 6,991 | 532 | 8% |
| Environment Management | 29,149 | 27,055 | 2,094 | 8% | 27,516 | 27,296 | 220 | 1% | 1,634 | (240) | 1,874 | 779% |
| Ta Hunga Whiriwhiri | 900 | 899 | 1 | 0% | 665 | 668 | 203 | 23% | 215 | 11 | 204 | 1873% |
| Strategy | 12,043 | 11,620 | 423 | 4% | 12,366 | 12,607 | 241 | 2% | (314) | (667) | 354 | 53% |
| Corporate Services | 10,421 | 8,909 | 1,451 | 16% | 16,104 | 15,911 | 193 | 1% | (5,683) | (5,942) | 259 | 4% |
| People and Customer | 1,706 | 1,665 | 41 | 2% | 8,890 | 8,375 | 515 | 6% | (7,123) | (6,689) | 434 | 6% |
| Investment Management | (4,567) | (2,206) | 2,363 | 107% | (3,920) | (4,352) | 432 | 10% | (648) | 2,147 | 2,795 | 130% |
| Water Supply | 31,204 | 30,117 | 1,087 | 4% | 37,829 | 36,003 | 2,226 | 6% | (6,625) | (5,490) | 1,135 | 21% |
| Warm Wellington | 3,118 | 3,089 | 29 | 1% | 3,118 | 3,088 | 30 | 1% | 0 | (0) | 0 | 100% |
| WREMO | 3,513 | 3,364 | 149 | 4% | 3,454 | 3,094 | 360 | 12% | 69 | 270 | 211 | 78% |
| Earthquake 2016 | 151 | 0 | 151 | 100% | 2,470 | 0 | 2,470 | 100% | (2,319) | 0 | 2,319 | 100% |
| TOTAL | 299,481 | 296,085 | 3,397 | 1% | 311,925 | 310,206 | 1,719 | 1% | (12,443) | (14,122) | 1,679 | 12% |

Statement of Revenue and Expense by Business Group - Actual v Forecast

| \$000 | FULL YEAR | | | | FULL YEAR | | | | FULL YEAR | | | |
|------------------------|---------------------|----------------|-------------------------|-----------|---------------------|----------------|-------------------------|-----------|---------------------------------|-----------------|---------------------------------|------------|
| | Operational Revenue | | Operational Expenditure | | Operational Revenue | | Operational Expenditure | | Operational Surplus / (Deficit) | | Operational Surplus / (Deficit) | |
| | Actual | Forecast | Variance | % | Actual | Forecast | Variance | % | Actual | Forecast | Variance | % |
| Group | | | | | | | | | | | | |
| Public Transport | 174,882 | 172,518 | 2,365 | 1% | 174,043 | 171,993 | 2,050 | 1% | 839 | 524 | 315 | 60% |
| Catchment Management | 36,903 | 36,031 | 872 | 2% | 29,360 | 27,128 | 2,232 | 8% | 7,523 | 8,905 | 1,382 | 16% |
| Environment Management | 29,149 | 28,692 | 457 | 2% | 27,516 | 26,762 | 754 | 3% | 1,634 | 1,930 | 296 | 15% |
| Ta Hunga Whiriwhiri | 900 | 900 | 0 | 0% | 665 | 656 | 9 | 1% | 215 | 44 | 171 | 389% |
| Strategy | 12,043 | 11,830 | 213 | 2% | 12,366 | 12,601 | 244 | 2% | (314) | (771) | 457 | 59% |
| Corporate Services | 10,421 | 8,957 | 1,464 | 16% | 16,104 | 16,001 | 103 | 1% | (5,683) | (7,544) | 1,861 | 25% |
| People and Customer | 1,706 | 1,794 | (88) | (5)% | 8,890 | 8,779 | 111 | 1% | (7,123) | (7,016) | 107 | 2% |
| Investment Management | (4,567) | (4,396) | 172 | 4% | (3,920) | (3,818) | 102 | 3% | (648) | (577) | 71 | 12% |
| Water Supply | 31,204 | 31,001 | 203 | 1% | 37,829 | 36,685 | 1,144 | 3% | (6,625) | (5,684) | 941 | 17% |
| Warm Wellington | 3,118 | 3,370 | (252) | (8)% | 3,118 | 3,370 | (252) | (8)% | 0 | 0 | 0 | 0% |
| WREMO | 3,513 | 3,411 | 102 | 3% | 3,454 | 3,042 | 391 | 13% | 69 | 348 | 289 | 83% |
| Earthquake 2016 | 151 | 96 | 55 | 54% | 2,470 | 1,279 | 1,191 | 93% | (2,319) | (1,162) | 1,157 | 99% |
| TOTAL | 299,481 | 294,175 | 5,307 | 2% | 311,925 | 306,196 | 5,729 | 2% | (12,443) | (11,021) | 1,422 | 13% |

Net Capital Expenditure by Business Group

| \$000 | FULL YEAR | | | | FULL YEAR | | | |
|------------------------------------|---------------|---------------|---------------|------------|---------------|---------------|--------------|-----------|
| | Actual YTD | Budget YTD | Variance | % | Actual | Forecast | Variance | % |
| Group | | | | | | | | |
| Public Transport (incl Investment) | 22,945 | 31,639 | 8,694 | 27% | 22,945 | 26,021 | 3,076 | 12% |
| Catchment Management | 14,368 | 21,669 | 7,291 | 34% | 14,368 | 14,730 | 343 | 2% |
| Environment Management | 4,894 | 6,968 | 2,074 | 30% | 4,894 | 5,147 | 253 | 5% |
| Strategy | 22 | 412 | 390 | 96% | 22 | 212 | 190 | 90% |
| Corporate Services | 796 | 3,065 | 2,269 | 79% | 796 | 1,088 | 320 | 29% |
| People and Customer | 188 | 350 | 161 | 46% | 188 | 359 | 170 | 47% |
| Investment Management | 400 | 379 | 21 | 6% | 400 | 354 | 46 | 13% |
| Water Supply | 4,279 | 4,020 | 259 | 6% | 4,279 | 4,838 | 559 | 12% |
| Earthquake 2016 | 100 | 0 | 100 | 100% | 100 | 0 | 100 | 100% |
| TOTAL | 48,104 | 69,102 | 20,998 | 30% | 48,104 | 51,789 | 3,685 | 7% |

Statement of Revenue and Expense

| \$000 | MONTH | | | | FULL YEAR | | | | FULL YEAR | | | |
|------------------------------------|----------------|---------------|-----------------|---------------|-----------------|-----------------|---------------|-------------|-----------------|-----------------|----------------|--------------|
| | Actual | Budget | Variance | % | Actual YTD | Budget YTD | Variance | % | Forecast | Total Budget | Variance | % |
| OPERATING REVENUE | | | | | | | | | | | | |
| Rates | 10,913 | 9,589 | 1,325 | 14% | 116,319 | 116,040 | 279 | 1% | 116,040 | 116,040 | 0 | 0% |
| Subsidies & Grants | 4,728 | 6,022 | (1,294) | (21)% | 64,036 | 69,944 | (5,907) | (8)% | 64,036 | 69,944 | (5,907) | (8)% |
| Other Revenue | 10,807 | 8,870 | 1,937 | 22% | 114,623 | 104,658 | 9,965 | 10% | 110,641 | 104,658 | 5,983 | 6% |
| Finance Revenue | 342 | 3,426 | (3,084) | (90)% | 4,003 | 6,542 | (2,539) | (39)% | 4,512 | 6,542 | (2,031) | (31)% |
| TOTAL REVENUE | 26,790 | 27,907 | (1,117) | (4)% | 299,491 | 296,085 | 3,397 | 1% | 294,175 | 296,085 | 1,910 | 1% |
| OPERATING EXPENDITURE | | | | | | | | | | | | |
| Personnel | 4,019 | 3,659 | 360 | 10% | 43,232 | 43,557 | (325) | (1)% | 43,568 | 43,557 | 11 | 0% |
| Material & Contractor/Consultant | 12,832 | 6,885 | 5,947 | 113% | 70,783 | 68,733 | 2,050 | 3% | 66,486 | 68,733 | (2,247) | (3)% |
| Depreciation & Amortisation | 1,792 | 1,459 | 334 | 23% | 16,225 | 17,508 | (1,283) | (7)% | 17,899 | 17,508 | 391 | 2% |
| Grants & Subsidy | 13,424 | 12,661 | 763 | 6% | 145,041 | 148,268 | (3,227) | (2)% | 148,287 | 148,268 | 19 | 0% |
| Finance Cost | 1,338 | 1,480 | (142) | (10)% | 16,477 | 16,634 | (157) | (1)% | 16,436 | 16,634 | 198 | 1% |
| Other Expense | 3,179 | 1,251 | 1,928 | 154% | 16,167 | 14,608 | 1,559 | 11% | 16,490 | 14,608 | 1,882 | 13% |
| TOTAL EXPENDITURE | 36,263 | 26,275 | 10,008 | 38% | 311,925 | 310,206 | 1,719 | 1% | 306,196 | 310,206 | (4,010) | (13)% |
| OPERATING SURPLUS/(DEFICIT) | (9,473) | 1,632 | (11,105) | (682)% | (12,443) | (14,122) | 1,679 | 12% | (11,021) | (14,122) | 3,100 | 22% |
| Subsidies & Grants - Capex | 3,449 | 1,801 | 1,648 | 70% | 13,763 | 15,461 | (1,697) | (11)% | 14,231 | 15,461 | (1,230) | (8)% |
| Fair Value Movement | 17,918 | 5,179 | 12,739 | 246% | 17,918 | 5,179 | 12,739 | 246% | 5,179 | 5,179 | 0 | 0% |
| SURPLUS/(DEFICIT) | 11,674 | 8,662 | 3,012 | 34% | 19,238 | 6,918 | 12,320 | 196% | 8,388 | 6,918 | 1,470 | 21% |

Balance Sheet

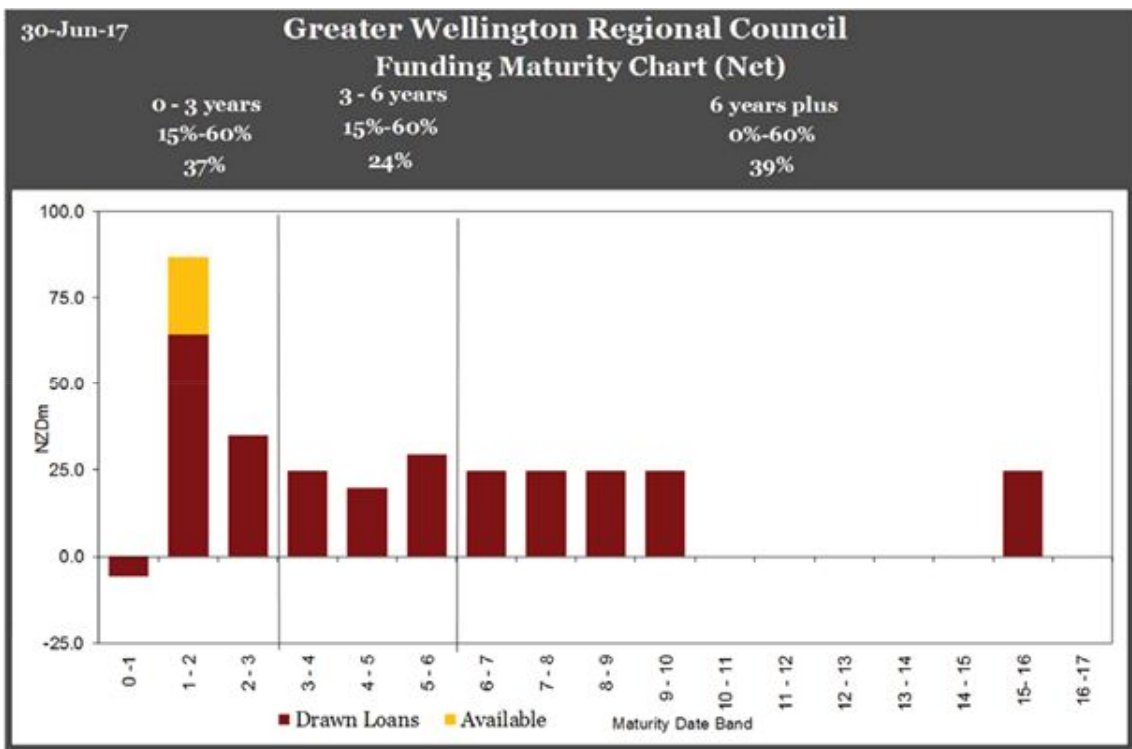
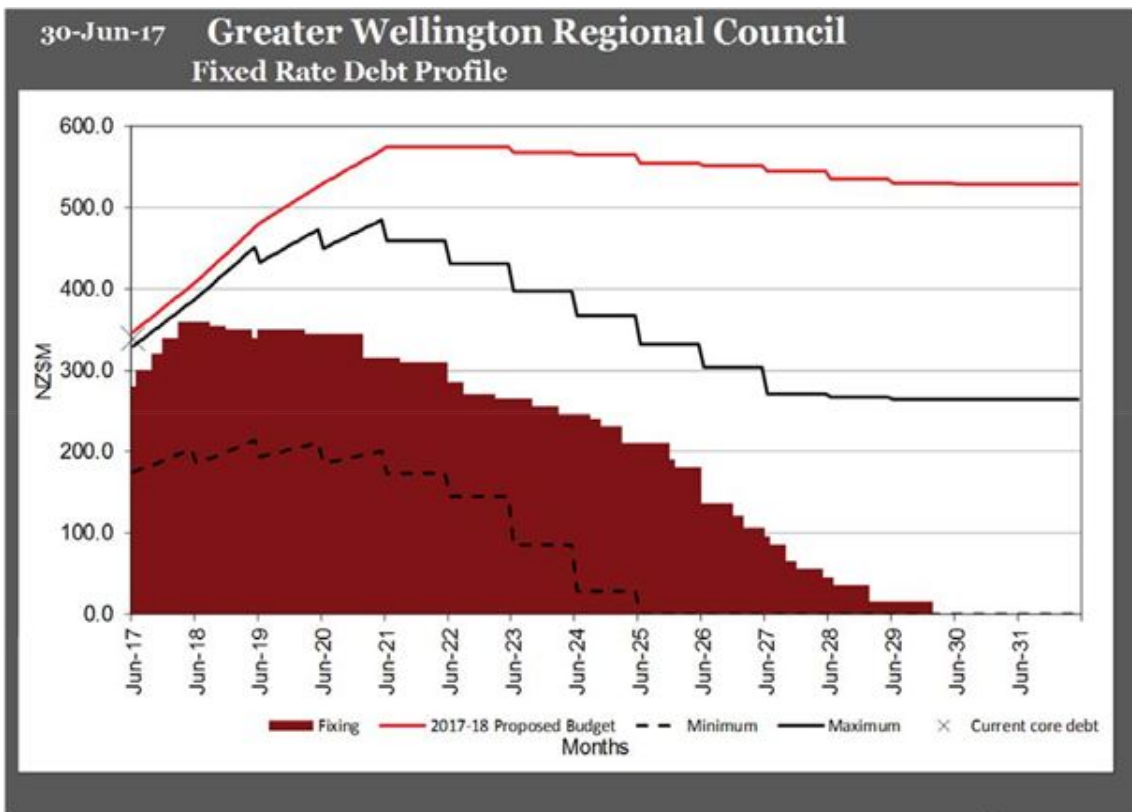
| \$'000 | Jun-17 | Jun-17 | Jun-16 |
|---------------------------------------|------------------|------------------|------------------|
| | Actual | Budget | Actual |
| ASSETS | | | |
| Bank | 346 | 5,160 | 2,096 |
| Receivables | 20,725 | 47,027 | 16,258 |
| Accrued Revenue and Prepayments | 24,571 | 11,845 | 25,472 |
| Inventory | 3,105 | 3,119 | 3,093 |
| Other Investments | 85,979 | 71,572 | 82,683 |
| Derivative Financial Instruments | (35,259) | (38,092) | (55,108) |
| Investment in Subsidiaries | 248,995 | 272,902 | 231,215 |
| Fixed Assets | 1,005,289 | 994,394 | 924,310 |
| Accumulated Depreciation | (88,744) | (90,848) | (74,140) |
| Asset Under Construction | 25,200 | 12,595 | 17,156 |
| TOTAL ASSETS | 1,290,205 | 1,289,674 | 1,173,035 |
| LIABILITIES | | | |
| Current Liabilities | 42,644 | 121,103 | 26,292 |
| Non-current liabilities | 326,767 | 280,000 | 312,382 |
| TOTAL LIABILITIES | 369,411 | 401,103 | 338,674 |
| EQUITY | | | |
| Retained Earning | 339,228 | 385,017 | 319,156 |
| Asset Revaluation Reserves | 543,875 | 477,256 | 475,794 |
| Other Reserves | 37,691 | 26,298 | 39,411 |
| TOTAL EQUITY | 920,794 | 888,571 | 834,361 |
| TOTAL LIABILITIES & EQUITY | 1,290,205 | 1,289,674 | 1,173,035 |

Compliance with Treasury Risk Management Policy

As at 30 June 2017

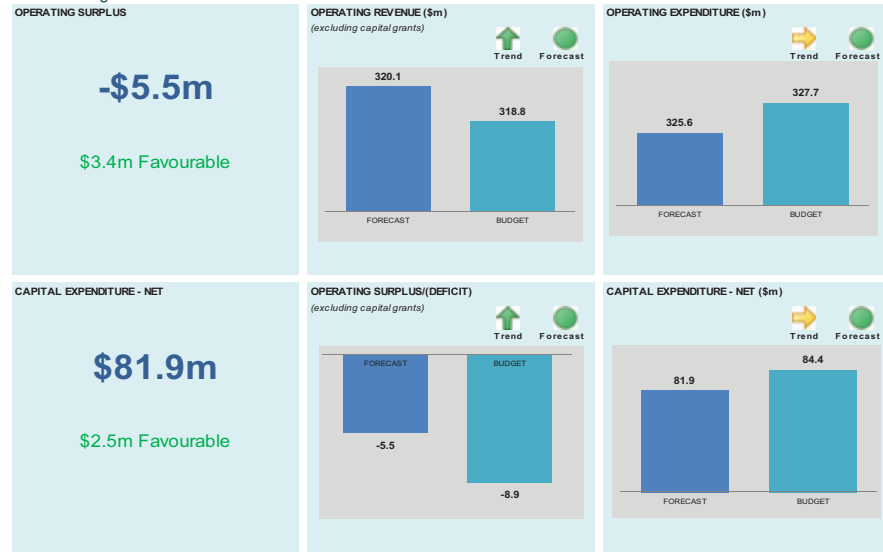
| Total Council Limit Compliance Analysis | Compliant | | | Compliant | | |
|--|-----------|----|----------|--|------------|----------|
| | Yes | No | actual % | Yes | No | actual % |
| Debt Interest Rate Policy Parameters | | | | | | |
| Current | 90% - 95% | ✓ | 81% | Counterparty credit exposure with New Zealand registered banks which have a credit rating of at least A-, long term, and A2 short term | | |
| year 1 | 45% - 95% | ✓ | 88% | Other counterparty exposure within policy limits | | |
| year 2 | 40% - 90% | ✓ | 73% | Maximum counterparty exposure with a NZ registered bank is within \$85 million limit | | |
| year 3 | 35% - 85% | ✓ | 65% | The repricing of liquid financial investments are to occur within the following timebands | | |
| year 4 | 30% - 80% | ✓ | 55% | 0 - 1 year | 40% - 100% | ✓ 82% |
| year 5 | 25% - 75% | ✓ | 50% | 1 - 3 years | 0% - 80% | ✓ 12% |
| year 6 | 15% - 70% | ✓ | 47% | 3 - 5 years | 0% - 40% | ✓ 6% |
| year 7 | 5% - 65% | ✓ | 43% | 5 - 10 years | 0% - 20% | ✓ 0% |
| year 8 | 0% - 60% | ✓ | 38% | Core Council External Borrowing Limits - Ratios | | |
| year 9 | 0% - 55% | ✓ | 24% | Net Interest / Total Revenue < 20% | ✓ | 3.8% |
| year 10 | 0% - 50% | ✓ | 17% | Net Debt / Total Revenue < 250% | ✓ | 78.0% |
| year 11 | 0% - 45% | ✓ | 8% | Net Interest / Annual rates and levies < 30% | ✓ | 8.2% |
| year 12 | 0% - 40% | ✓ | 3% | Liquidity > 110% | ✓ | 115% |
| year 13 | 0% - 35% | ✓ | 0% | | | |
| year 14 | 0% - 30% | ✓ | 0% | | | |
| year 15 | 0% - 25% | ✓ | 0% | | | |
| The maturity of total external debt less liquid financial investments to fall within the following timebands | | | | | | |
| 0 - 3 years | 15% - 60% | ✓ | 37% | | | |
| 3 - 5 years | 15% - 60% | ✓ | 24% | | | |
| > 5 years | 10% - 60% | ✓ | 39% | | | |

GWRC purchases electricity from the wholesale spot market and manages the risk of high market prices with an over-the-counter hedge contract. The average hedge volume for the year ended June 2016 was under the target range in the Treasury Risk Management Policy (80 percent compared with a target range of 85 percent to 115 percent). This slightly under-hedged position was mainly due to above average power consumption needed to minimise the risk of a water shortage during the 2015/16 summer drought. The option to implement a minor increase in hedge volume is being considered with any change to be approved by the CEO. NB. The value of the underlying contract for Electricity usage amounts to about \$3 million per year.



Cross Council Overview Financial Summary – Full Year Forecast

As at 31 August 2017



Council Summary

Forecast operating surplus (before capital grants) is **\$3.4m favourable** to budget. The variance is primarily related to Public Transport – timing on trolley bus decommissioning and higher fare revenue due to patronage growth and PT transition costs.

FY Forecast by Business Group

- Operating Revenue: **\$1.3m favourable**

Public Transport is forecast to be **\$0.9m favourable** to budget reflecting higher fare revenue (\$0.6m) due to patronage growth and timing on SuperGold NZTA revenue (\$0.4m).

Catchment is forecast to be **\$0.2m unfavourable** to budget reflecting the reduced rent revenue due to timing of RiverLink property acquisition.

Strategy is forecast to be **\$0.7m favourable** to budget which reflects additional stakeholder contributions to support Regional Infrastructure Resilience Business case.

- Operating Expenditure **\$2.1m Favourable**

Public Transport is forecast to be **\$3.1m favourable** to budget reflecting a timing difference on trolley bus decommissioning (\$3.5m) due to moving the decommissioning timeline out 4 months, timing on PT transition costs (\$0.6m). This is offset by SuperGold costs (\$0.7m), which is now capped and received from NZTA in one lump sum. The amount negotiated was favourable to budget.

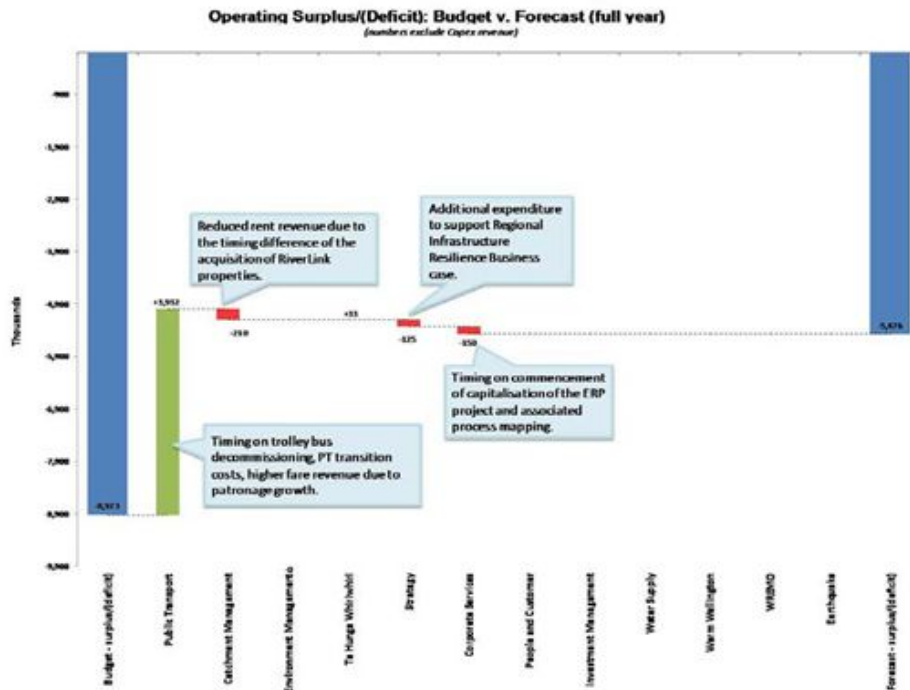
Strategy is forecast to be **\$0.8m unfavourable** to budget which reflects additional expenditures to support Regional Infrastructure Resilience Business case.

Corporate Services is forecast to be **\$0.2m unfavourable** to budget due to timing on commencement of capitalisation of the ERP project and associated process mapping.

- Capital Expenditure **\$2.5m Favourable**

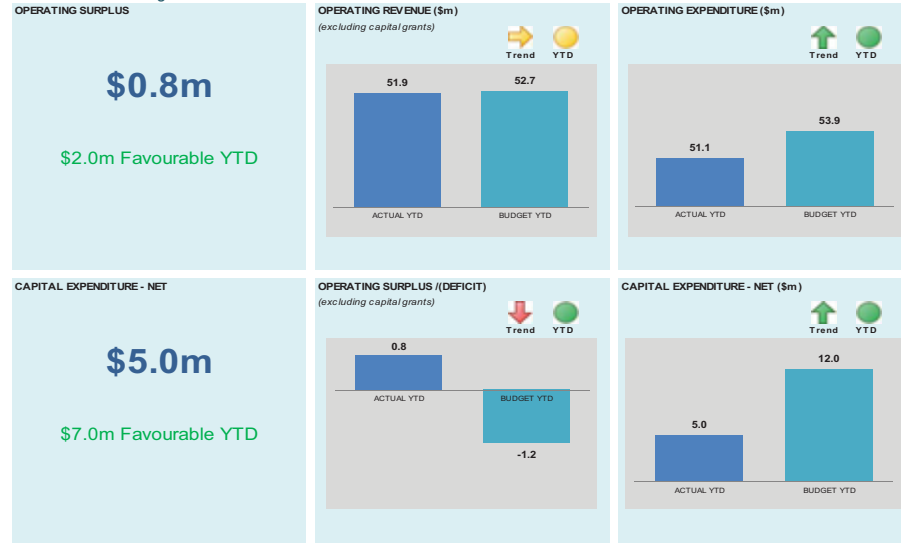
Catchment is forecast to be **\$2.3m favourable** to budget due timing on RiverLink property acquisitions reflecting lower volume of commercial purchases and preference of residential owners to hold their properties for future valuation increase.

Corporate Services is forecast to be **\$0.6m favourable** to budget reflecting timing on ICT projects.



Cross Council Overview Financial Summary

Year to Date 31 August 2017



Council Summary

Year to date operating surplus (before capital grants) is **\$2.0m favourable** to budget. The variance is primarily related to Public Transport – reflecting timing on Kiwi Rail network costs, passenger and vehicle service fees and transition costs, offset by lower NZTA grants.

YTD Business Group Commentary:

- **Operating Revenue: \$0.9m Unfavourable**

Public Transport is **\$1.2m unfavourable** to budget, largely reflecting lower NZTA grants (\$1.5m) as a result of the timing on associated expenditure, partially offset by higher fare revenue (\$0.3m).

Strategy is **\$0.3m favourable** to budget which reflects timing of NZTA grants on claimable costs for Sustainable Transport & Regional Transport Planning and contributions for Regional Infrastructure Resilience Business case.

Corporate Services is **\$0.2m unfavourable** to budget, which largely reflects timing of rates penalties (\$0.1m) and ICT internal revenue (\$0.1m).

- **Operating Expenditure \$2.8m Favourable**

Public Transport is **\$2.5m favourable** to budget, largely reflecting timing on diesel bus inflation (\$0.2m), transition costs (\$0.7m), SuperGold (\$0.3m), Kiwi rail network costs (\$0.6m) and passenger and vehicle service fees (\$0.2m).

Catchment is **\$0.2m favourable** to budget, largely reflecting timing on pest animal and plant control programmes due to unfavourable weather (\$0.1m).

Environment is **\$0.3m favourable** to budget, reflecting timing on NRP hearing costs (\$0.1m), Water Wairarapa expenditure (\$0.1m), and maintenance progress in Parks (\$0.1m) due to unfavourable weather.

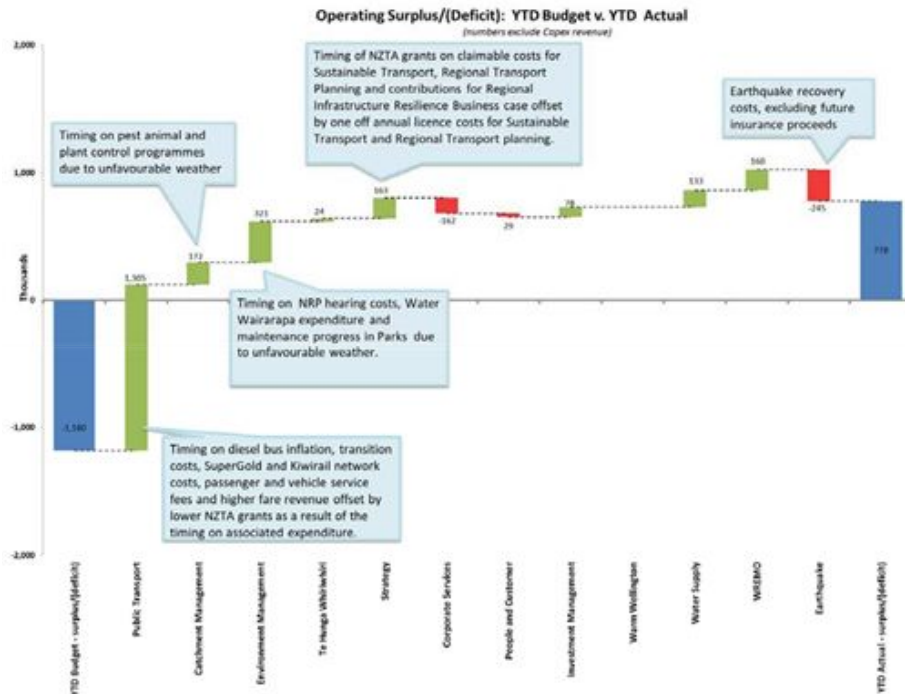
Strategy is **\$0.1m unfavourable** to budget, reflecting one off annual licence costs for Sustainable Transport and Regional Transport planning and additional expenditures on Regional Infrastructure Resilience Business case.

Corporate Services is **\$0.1m favourable** to budget, due to timing on expenditure.

Earthquake recovery costs to date are **\$0.2m**. This amount excludes insurance proceeds, which will be determined once the claims process is completed.

- **Capital Expenditure \$7.0m Favourable**

Public Transport is **\$6.4m favourable** to budget reflecting timing on Fares and Ticketing (\$2.1m), Omnibus (\$1.0m), Bus Infrastructure Network (\$1.2m) and Capex spending in rail operations (\$1.7m).



Cross Council Overview Financial Summary ('000s)

Statement of Revenue and Expense by Business Group - Full Year

| \$000 | FULL YEAR | | | | FULL YEAR | | | | FULL YEAR | | | |
|------------------------|---------------------|----------------|--------------|-----------|-------------------------|----------------|--------------|-----------|---------------------------------|----------------|--------------|------------|
| | Operational Revenue | | | | Operational Expenditure | | | | Operational Surplus / (Deficit) | | | |
| Group | Forecast | Budget | Variance | % | Forecast | Budget | Variance | % | Forecast | Budget | Variance | % |
| Public Transport | 185,675 | 184,825 | 850 | 0% | 184,761 | 187,843 | 3,082 | 2% | 914 | (3,018) | 3,932 | 130% |
| Catchment Management | 37,841 | 38,051 | 210 | 1% | 31,130 | 31,130 | 0 | 0% | 6,711 | 6,921 | 210 | 3% |
| Environment Management | 29,857 | 29,857 | 0 | 0% | 29,126 | 29,126 | 0 | 0% | 731 | 731 | 0 | 0% |
| Te Hunga Whiriwhiri | 1,034 | 1,034 | 0 | 0% | 1,026 | 1,026 | 0 | 0% | 9 | 9 | 0 | 0% |
| Strategy | 12,301 | 11,626 | 675 | 6% | 13,704 | 12,904 | 800 | 6% | (1,403) | (1,278) | 125 | 10% |
| Corporate Services | 10,272 | 10,272 | 0 | 0% | 18,160 | 18,010 | 150 | 1% | (7,888) | (7,738) | 150 | 2% |
| People and Customer | 2,415 | 2,415 | 0 | 0% | 10,002 | 10,002 | 0 | 0% | (7,587) | (7,587) | 0 | 0% |
| Investment Management | 1,630 | 1,630 | 0 | 0% | (3,617) | (3,617) | 0 | 0% | 5,247 | 5,247 | 0 | 0% |
| Water Supply | 32,170 | 32,170 | 0 | 0% | 34,897 | 34,897 | 0 | 0% | (2,727) | (2,727) | 0 | 0% |
| Warm Wellington | 3,183 | 3,183 | 0 | 0% | 3,183 | 3,183 | 0 | 0% | (0) | (0) | 0 | 0% |
| WREMO | 3,452 | 3,452 | 0 | 0% | 3,245 | 3,245 | 0 | 0% | 207 | 207 | 0 | 0% |
| Earthquake | 312 | 312 | 0 | 0% | 0 | 0 | 0 | 0% | 312 | 312 | 0 | 0% |
| TOTAL | 320,142 | 318,827 | 1,315 | 0% | 325,618 | 327,750 | 2,132 | 1% | (5,476) | (8,923) | 3,447 | 39% |

Statement of Revenue and Expense by Business Group -Year to Date

| \$000 | YEAR TO DATE | | | | YEAR TO DATE | | | | YEAR TO DATE | | | |
|------------------------|---------------------|---------------|------------|-----------|-------------------------|---------------|--------------|-----------|---------------------------------|----------------|--------------|-------------|
| | Operational Revenue | | | | Operational Expenditure | | | | Operational Surplus / (Deficit) | | | |
| Group | Actual YTD | Budget YTD | Variance | % | Actual YTD | Budget YTD | Variance | % | Actual YTD | Budget YTD | Variance | % |
| Public Transport | 30,085 | 31,307 | 1,222 | 4% | 28,232 | 30,760 | 2,527 | 8% | 1,852 | 547 | 1,305 | 238% |
| Catchment Management | 6,512 | 6,603 | 91 | 1% | 5,184 | 5,447 | 263 | 5% | 1,328 | 1,157 | 172 | 15% |
| Environment Management | 5,199 | 5,165 | 34 | 1% | 4,445 | 4,733 | 288 | 6% | 753 | 432 | 321 | 74% |
| Te Hunga Whiriwhiri | 174 | 172 | 2 | 1% | 69 | 92 | 23 | 25% | 105 | 81 | 24 | 30% |
| Strategy | 2,199 | 1,921 | 277 | 14% | 2,198 | 2,084 | 114 | 5% | 1 | (163) | 163 | 100% |
| Corporate Services | 1,509 | 1,712 | 203 | 12% | 2,839 | 2,918 | 79 | 3% | (1,330) | (1,206) | 124 | 10% |
| People and Customer | 394 | 402 | 8 | 2% | 1,657 | 1,636 | 20 | 1% | (1,263) | (1,234) | 29 | 2% |
| Investment Management | (1,093) | (1,268) | 175 | 14% | (550) | (646) | 96 | 15% | (544) | (622) | 78 | 13% |
| Water Supply | 5,372 | 5,362 | 10 | 0% | 5,679 | 5,802 | 123 | 2% | (308) | (440) | 133 | 30% |
| Warm Wellington | 652 | 531 | 122 | 23% | 652 | 530 | 122 | 23% | 0 | 0 | 0 | 100% |
| WREMO | 863 | 754 | 109 | 14% | 488 | 539 | 51 | 9% | 375 | 215 | 160 | 74% |
| Earthquake | 0 | 52 | 52 | 100% | 193 | 0 | 193 | 100% | (193) | 52 | 245 | 470% |
| TOTAL | 51,864 | 52,714 | 850 | 2% | 51,087 | 53,894 | 2,808 | 5% | 778 | (1,180) | 1,958 | 166% |

Statement of Revenue and Expense

| \$000 | YEAR TO DATE | | | | FULL YEAR | | | |
|------------------------------------|---------------|----------------|--------------|-------------|----------------|----------------|--------------|------------|
| | Actual YTD | Budget YTD | Variance | % | Forecast | Total Budget | Variance | % |
| OPERATING REVENUE | | | | | | | | |
| Rates | 20,130 | 20,126 | 3 | 0% | 120,780 | 120,780 | 0 | 0% |
| Subsidies & Grants | 10,010 | 12,036 | 2,026 | 17% | 70,891 | 71,500 | 609 | 1% |
| Other Revenue | 21,021 | 20,042 | 979 | 5% | 125,429 | 123,505 | 1,924 | 2% |
| Finance Revenue | 703 | 509 | 194 | 38% | 3,043 | 3,043 | 0 | 0% |
| TOTAL REVENUE | 51,864 | 52,714 | 850 | 2% | 320,142 | 318,827 | 1,315 | 0% |
| OPERATING EXPENDITURE | | | | | | | | |
| Personnel | 7,421 | 7,636 | 215 | 3% | 46,244 | 46,244 | 0 | 0% |
| Material & Contractor/Consultant | 11,083 | 12,032 | 949 | 8% | 72,648 | 69,603 | 3,045 | 4% |
| Depreciation & Amortisation | 2,982 | 2,982 | 0 | 0% | 17,894 | 17,894 | 0 | 0% |
| Grants & Subsidy | 23,517 | 24,928 | 1,411 | 6% | 151,492 | 156,669 | 5,177 | 3% |
| Finance Cost | 3,025 | 3,194 | 169 | 5% | 19,686 | 19,686 | 0 | 0% |
| Other Expense | 3,059 | 3,123 | 64 | 2% | 17,651 | 17,651 | 0 | 0% |
| TOTAL EXPENDITURE | 51,087 | 53,894 | 2,808 | 5% | 325,615 | 327,747 | 2,132 | 1% |
| OPERATING SURPLUS/(DEFICIT) | 778 | (1,180) | 1,958 | 166% | (5,473) | (8,920) | 3,447 | 39% |
| Subsidies & Grants - Capex | 918 | 3,500 | 2,583 | 74% | 23,285 | 25,053 | 1,768 | -7% |
| SURPLUS/(DEFICIT) | 1,696 | 2,320 | 625 | 27% | 17,812 | 16,133 | 1,679 | 10% |

Net Capital Expenditure by Business Group

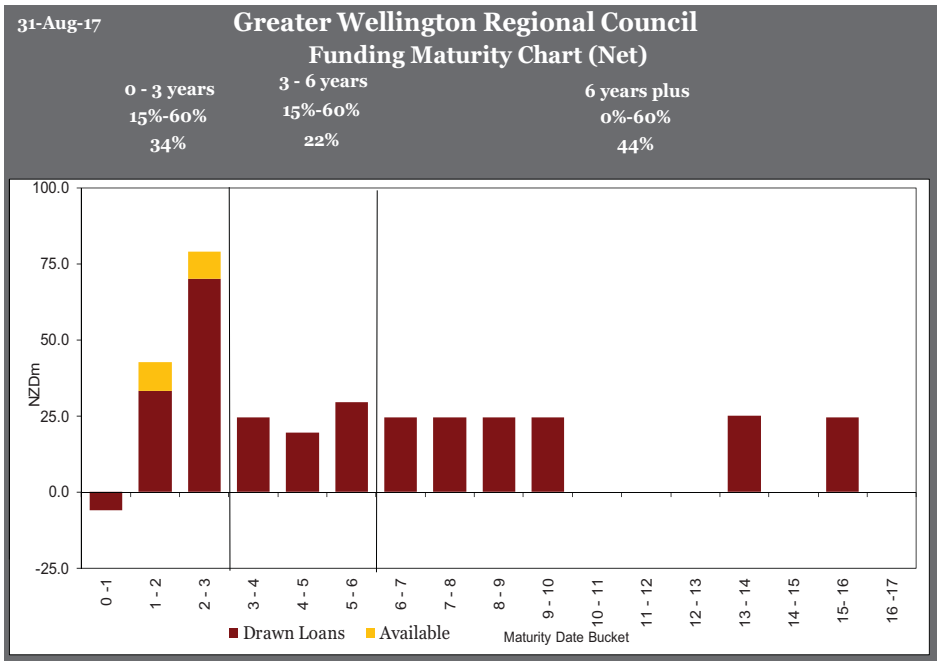
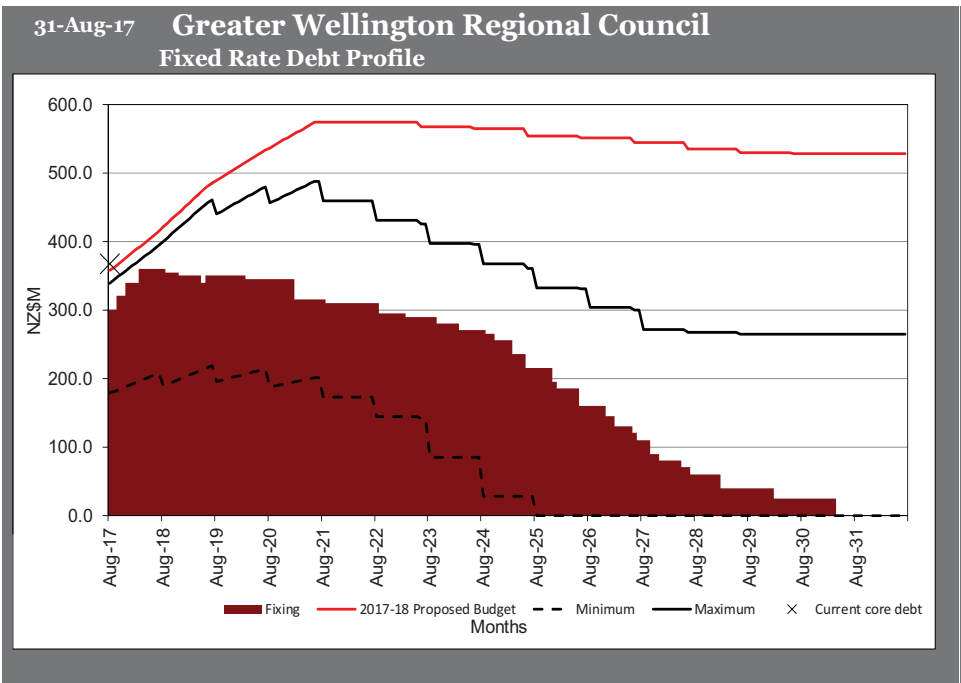
| \$000 | YEAR TO DATE | | | | FULL YEAR | | | |
|------------------------------------|--------------|---------------|--------------|------------|---------------|---------------|--------------|-----------|
| | Actual YTD | Budget YTD | Variance | % | Forecast | Total Budget | Variance | % |
| Group | | | | | | | | |
| Public Transport (incl investment) | 114 | 6,471 | 6,357 | 98% | 37,730 | 37,350 | 380 | 1% |
| Catchment Management | 1,871 | 2,096 | 225 | 11% | 19,352 | 21,652 | 2,300 | 11% |
| Environment Management | 393 | 774 | 381 | 49% | 8,361 | 8,361 | 0 | 0% |
| Strategy | 36 | 20 | 16 | 78% | 634 | 634 | 0 | 0% |
| Corporate Services | 160 | 123 | 37 | 30% | 3,445 | 4,003 | 558 | 14% |
| People and Customer | 0 | 0 | 0 | 0% | 197 | 197 | 0 | 0% |
| Investment Management | 8 | 120 | 112 | 93% | 660 | 660 | 0 | 0% |
| Water Supply | 2,458 | 2,392 | 66 | 3% | 11,561 | 11,561 | 0 | 0% |
| Earthquake 2016 | (1) | 0 | 1 | 100% | 0 | 0 | 0 | 0% |
| TOTAL | 5,039 | 11,996 | 6,957 | 58% | 81,939 | 84,417 | 2,478 | 3% |

Balance Sheet

| | Aug-17 | Jun-18 | Jun-17 |
|----------------------------------|------------------|------------------|------------------|
| \$000 | Actual | Budget | Actual |
| ASSETS | | | |
| Bank | 25 | 2,096 | 346 |
| Receivables | (1,285) | 16,266 | 20,725 |
| Accrued Revenue and Prepayments | 47,341 | 28,248 | 24,571 |
| Inventory | 3,131 | 3,093 | 3,105 |
| Other Investments | 117,288 | 88,850 | 85,979 |
| Derivative Financial Instruments | (35,259) | (25,758) | (35,259) |
| Investment in Subsidiaries | 248,995 | 271,527 | 248,995 |
| Fixed Assets | 1,005,716 | 1,094,656 | 1,005,288 |
| Accumulated Depreciation | (91,515) | (105,267) | (88,744) |
| Asset Under Construction | 29,351 | 0 | 25,199 |
| TOTAL ASSETS | 1,323,788 | 1,373,711 | 1,290,205 |
| LIABILITIES | | | |
| Current Liabilities | 40,334 | 26,689 | 42,644 |
| Non-current liabilities | 360,459 | 396,168 | 326,767 |
| TOTAL LIABILITIES | 400,793 | 422,857 | 369,411 |
| NET ASSETS | 922,996 | 950,854 | 920,794 |
| EQUITY | | | |
| Retained Earning | 342,985 | 372,942 | 339,228 |
| Asset Revaluation Reserves | 543,875 | 553,386 | 543,875 |
| Other Reserves | 36,136 | 24,526 | 37,691 |
| TOTAL EQUITY | 922,996 | 950,854 | 920,794 |

Compliance with Treasury Risk Management Policy

| Total Council Limit Compliance Analysis | Compliant | | | actual % | | Compliant | | |
|--|-----------|----|--|----------|--|------------|----|----------|
| | Yes | No | | | | Yes | No | actual % |
| Debt Interest Rate Policy Parameters | | | | | | | | |
| Current | 50% - 95% | ✓ | | 84% | Counterparty credit exposure with New Zealand registered banks which have a credit rating of at least A-, long term, and A2 short term | ✓ | | |
| year 1 | 45% - 95% | ✓ | | 86% | Other counterparty exposure within policy limits | ✓ | | |
| year 2 | 40% - 90% | ✓ | | 72% | Maximum counterparty exposure with a NZ registered bank is within \$86 million limit | ✓ | | |
| year 3 | 35% - 85% | ✓ | | 64% | The repricing of liquid financial investments are to occur within the following timebands | | | |
| year 4 | 30% - 80% | ✓ | | 55% | 0 - 1 year | 40% - 100% | ✓ | 86% |
| year 5 | 25% - 75% | ✓ | | 54% | 1 - 3 years | 0% - 60% | ✓ | 9% |
| year 6 | 15% - 70% | ✓ | | 51% | 3 - 5 years | 0% - 40% | ✓ | 5% |
| year 7 | 5% - 65% | ✓ | | 48% | 5 - 10 years | 0% - 20% | ✓ | 0% |
| year 8 | 0% - 60% | ✓ | | 39% | Core Council External Borrowing Limits - Ratios | | | |
| year 9 | 0% - 55% | ✓ | | 29% | Net interest / Total Revenue < 20% | ✓ | | 4.9% |
| year 10 | 0% - 50% | ✓ | | 20% | Net Debt / Total Revenue < 250% | ✓ | | 76.2% |
| year 11 | 0% - 45% | ✓ | | 11% | Net interest / Annual rates and levies < 30% | ✓ | | 9.7% |
| year 12 | 0% - 40% | ✓ | | 8% | Liquidity > 110% | ✓ | | 119% |
| year 13 | 0% - 35% | ✓ | | 5% | | | | |
| year 14 | 0% - 30% | ✓ | | 0% | | | | |
| year 15 | 0% - 25% | ✓ | | 0% | | | | |
| The maturity of total external debt less liquid financial investments to fall within the following timebands | | | | | | | | |
| 0 - 3 years | 15% - 60% | ✓ | | 34% | | | | |
| 3 - 5 years | 15% - 60% | ✓ | | 22% | | | | |
| > 5 years | 10% - 60% | ✓ | | 44% | | | | |





Report 17.321
Date 3 September 2017
File CCAB-22-237

Committee Finance, Risk and Assurance Committee
Author Mike Timmer, Treasurer

Risk Report - Including Risk Criteria

1. Purpose

To update the Committee on changes to the risk register over the June quarter.

To provide a presentation to the Committee on Catchment Managements risk management as part of the on-going reporting by each group within GWRC.

To update the Council on how risk management scoring works.

2. Background

Each quarter the risks at group level are considered and reported to the Chief Executive. This process involves adding new risks, archiving old risks, if they are no longer relevant, reviewing the controls (risk mitigation/modifying management strategies), and checking that the scoring of the risk reflects its current state.

Each group's risks are reviewed by the Chief Executive, in conjunction with the General Managers and the General Manager Corporate Services/CFO, at the quarterly review meetings.

3. Comment on risk changes during the quarter

There was one risk removed from the register during the June quarter, and there were no additions to the register.

The risk removed from the register was:

Fatality or permanent disability arising from use of a quad bike in a manner that doesn't comply with organisational Health & Safety procedures

This risk has been archived, as Parks no longer use quad bikes.

There was no change in scoring to any of the residual risks levels during the quarter.

4. Risk management criteria

The risk criteria used to score the risks in the Quantate Risk Management system software are discussed below and the detailed criteria are included in [Attachment 1](#).

These risk criteria were established when we adopted the Quantate Risk Management software. At the high level they can be summarised as follows:

- **Likelihood:** Based on a timeframe. We have used 10 years, as this is the horizon for our LTP period
- **Consequences:** We have five criteria that are used and they are summarised below:
 - *Operational Capability* – Diversion from plans, stakeholder and staff impacts
 - *Stakeholder Reputation*- Impacts from upsetting our stakeholders
 - *Health & Safety* – Considers the level of harm
 - *Environmental* – Looks at the seriousness of damage
 - *Financial* – Focuses on the \$ impact of unplanned expenditures.

The above criteria were established via consultation with the business. They were last reviewed about five years ago and at this time we added two new criteria: Health & Safety and Environmental.

Once a risk is scored and the controls are established in Quantate the output is per the details we see in [Attachments 2](#) and [3](#).

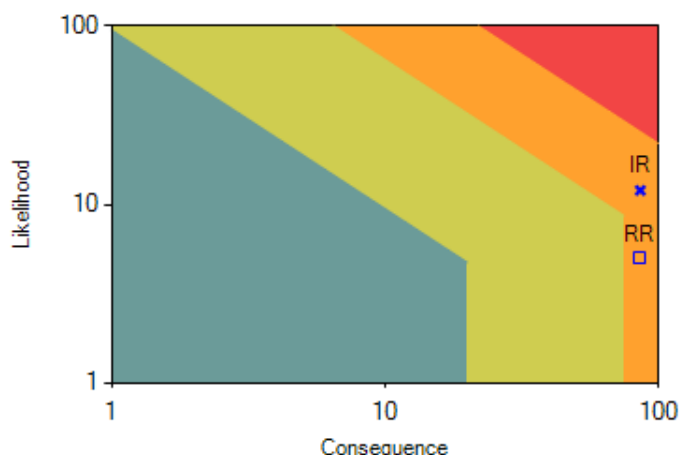
5. Residual risk score - explanation

At the last meeting, Councillors requested the risk score be included with the top ten risks, presumably so that one could better see the relationship between the risks presented.

The two high risks, risk IDs 106 and 118, have a lower numerical residual risk score than those with medium risk.

The reason for this is the way Quantate calculates the residual risk score and how it has been set up. The graph below acknowledges that high consequence risks with low probability are not necessarily low risks, i.e. in the green area.

The residual risk score is calculated using the numerical scores from the risk management criteria in [Attachment 1](#), weighting them in the case of the consequences and then plotting the score on the consequences/likelihood chart, produces the result below for risk ID 106.



As can be seen from the graph, while the likelihood of the risk occurring is relatively low (scored as highly unlikely with a value of 5), the consequences on the other hand are scored relatively high, particularly the Health and Safety, giving an overall numerical consequence score of 86.

6. Project Management Risk Assessment

When the Project Management Office function completed their templates for project management, it became apparent that the standard Quantate risk consequences needed to expand to focus more specifically on Project Management. To this end, it was agreed, with the assistance of the Quantate CEO, that a separate matrix be developed that included the 5 Quantate Consequence criteria noted above, plus additional criteria that were Project Management specific. These 6 additional criteria include: Business delivery (quality); project budget; project schedule; procurement; business integration; and Resources and team.

A matrix was developed which measures the likelihood based on the life of the project and 11 consequences. This matrix is appended as [Attachment 4](#).

The matrix has a black line which singles out the High and Very High outcomes. If the risk is scored by any consequence/likelihood assessment then it automatically is put in the Quantate risk register.

7. Catchment Management presentation

Catchment Management will attend the meeting and provide insight into the topical and emerging risks for them as appended as [Attachment 5](#).

8. Definition of report heading

A brief description of the Council’s risk report columns (for [Attachment 2](#) and [Attachment 3](#)) and what they mean is as follows:

Overall ranking by residual risk score: Residual risk is the risk that remains after controls have been applied and is discussed further below. A lower number means it has a higher residual risk relative to others.

NB: The ranking is subjective and depends on how the risk is scored. The important point to note is the fact that the risk is acknowledged and controls are in place to reduce its likelihood of occurrence and/or outcome of occurrence. This is the essence of risk management not the ranking of the risk.

Risk ID: This is a unique system number assigned to a risk.

Risk Category: This is a category/ies of risk that the risk belongs to. Each category has a risk appetite which measures Council's propensity to accept risk. Health and safety to staff and contractors, legislative and regulatory, and Environment damage are areas where we have a low appetite to risk.

Description: Brief description of the risk.

Inherent risk level: The risk is assessed/scored and placed into a classification category (Very High, High, Medium, or Low) before any controls are in place or put it another way, without the controls working.

Controls: These are processes which mitigate/modify a risk. They reduce the likelihood of occurrence of a risk or reduce the consequences when it occurs or both.

Residual risk level: This is the risk classification category after the controls have been put in place and are working as expected.

Residual risk score: This is the multiplication of the residual likelihood value score multiplied by the weighted residual consequence value score.

Risk Owner/Business Unit: The person/group responsible for the risk. There is also a person assigned to each control who is not normally the risk owner.

Status change since the last quarter: This provides a discussion around the risk, and any risk treatments being considered, which, once adopted, will become controls.

9. Communication

There is no communication required.

10. Consideration of Climate Change

The matters addressed in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

10.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Officers have considered the effect of the matters on the climate. Officers consider that the matters will have no effect.

Officers note that the matter does not affect the Council’s interests in the Emissions Trading Scheme (ETS) and/or the Permanent Forest Sink Initiative (PFSI).

10.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Officers have considered the impacts of climate change in relation to the matters. Officers recommend that climate change has no bearing on the matters.

11. The decision-making process and significance

No decision is being sought in this report.

11.1 Engagement

Engagement on this matter is unnecessary.

12. Recommendations

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*

Report prepared by:

Mike Timmer
Treasurer

Report approved by:

Dave Humm
General Manger Corporate
Services/Chief Financial
Officer

- Attachment 1:** Risk Management Criteria
Attachment 2: Changes to Risks Register in the June Quarter 2017
Attachment 3: Top ten risks as at 30 June 2017
Attachment 4: Project Risk Matrix
Attachment 5: Risk Management in Catchment Management

Risk Management Criteria

Consequences – Operational Capability

| Short Name | Full Description | Value |
|---|---|-------|
| Level 5 Diversion >12 months | <ul style="list-style-type: none"> Event results in management diversion from strategic objectives for a period of > 12 months and/or delivery of LTP outcomes across work area significantly affected for greater than six months. Critically detrimental effects on stakeholders. Long term loss of capability (>12 months) and/or severe staff morale problems may likely arise leading to loss of a significant number of key senior staff, impacting on skills, knowledge and expertise. | 85 |
| Level 4 Diversion >6 months | <ul style="list-style-type: none"> Event results in management diversion from strategic objectives for a period of > 6 months and/or delivery of LTP outcomes across work area significantly affected for up to six months. Moderate detrimental effects on stakeholders. Event results in loss of operational capability for up to 2 months and/or major morale or other organisational problems affecting performance and productivity may arise and could lead to loss of key staff within two or more areas of council, resulting in skills, knowledge and expertise deficits. | 35 |
| Level 3 Diversion >2 months | <ul style="list-style-type: none"> Event results in management diversion from strategic objectives for a period > 2 months and/or delivery of LTP outcomes across work area significantly affected for up to one month. Minor detrimental effects on stakeholders and/or major morale or other organisational problems affecting performance and productivity may arise and could lead to loss of key staff skills, within one area of council, resulting in skills, knowledge and expertise deficits within this area of council. | 12 |
| Level 2 Managed | <ul style="list-style-type: none"> Event reduces efficiency or effectiveness of service. Managed internally with no or limited diversion from strategic objectives and/or Moderate staff morale problems resulting in some staff resignations but managed through minor restructuring. | 7 |
| Level 1 Minor | <ul style="list-style-type: none"> Event causes minor disruption felt by limited small group of stakeholders and/or Minor staff morale impact resulting in minor dissention but managed over a short period of time. | 3 |
| No impact | No impact on operational capability | 0 |

Consequences- Stakeholders /Reputation

Note: ‘**Stakeholder**’ means clients, public, industry groups (such as forestry/agriculture), local government bodies, lobby groups, or Iwi.

| Short Name | Full Description | Value |
|---------------------------|---|--------------|
| Level 5 Extreme | Extreme dissatisfaction and loss of confidence by stakeholders and/or Regulatory Body investigation and/or statutory management installed and/or significant sanctions against the organisation. Regulatory action resulting in major prosecution and conviction of council (e.g. fine of >\$100k). | 95 |
| Level 4 Major | Major loss of stakeholder confidence and/or extensive stakeholder dissatisfaction expressed through media resulting in a long period of negative coverage (>2 months). Widespread, unified, coordinated revolt by consent holders and/or ratepayers against fees/conditions or sanctions imposed against the organisation. Regulatory action resulting in moderate prosecution and conviction of council (e.g. \$25-\$100k) | 45 |
| Level 3 Moderate | 2-3 stakeholders sectors dissatisfaction expressed through media resulting in a long period of negative coverage (>2 months) and/or Central Government impose statutory sanctions. Regulatory action resulting in prosecution but no conviction. | 15 |
| Level 2 Single | Single stakeholder sector express dissatisfaction through national media for up to one month and/or Central Government – CEO, Ministry for the Environment directed by Minister to make enquiries and/or Regulatory action resulting in investigation but no prosecution | 7 |
| Level 1 Individual | Individual(s) express dissatisfaction through local media to GWRC directly and/or Individual(s) refuse to pay fees/rates as a stand against council activities and/or Breach of law with internal investigation with minor changes to operations. | 3 |
| No Impact | No significant impact on stakeholders or image | 0 |

Consequences - Health and Safety

| Short Name | Full Description | Value |
|----------------------------|---|--------------|
| Level 5 Extreme | Extremely harmful - Multiple fatalities | 85 |
| Level 4 Major | Very harmful - Single fatality and /or multiple severe injuries/disabilities | 35 |
| Level 3 Significant | Harmful - Serious injury and/or permanent disability. Lost time injury > 1 week | 12 |
| Level 2 Moderate | Slightly harmful – Medical aid required. Lost time injury < 1 week | 7 |
| Level 1 Minor | No harm foreseen. First aid injury but no or minimal medical treatment required | 3 |
| No impact | No injury or health & safety impact | 0 |

Consequences – Environmental

| Short Name | Full Description | Value |
|----------------------------|---|--------------|
| Level 5 Extreme | Serious damage to the environment of national importance, and/or with prosecution certain, and/or effects not able to be fully mitigated. | 85 |
| Level 4 Major | Serious damage to the environment of national importance, and/or with prosecution expected, and/or effects able to be fully mitigated within 5 years. | 35 |
| Level 3 Significant | Serious damage to the environment of local importance, and/or with prosecution probable, and/or effects able to be fully mitigated within 1 year. | 12 |
| Level 2 Moderate | Material damage to the environment of local importance, and/or with prosecution possible, and/or effects able to be fully mitigated within 3 months. | 7 |
| Level 1 Minor | Negligible impact to the environment, and/or effects able to be fully mitigated within 1 week. | 3 |
| No Impact | No impact on the environment. | 0 |

Consequences – Financial

| Short Name | Full Description (life of a project, not per annum) | Value |
|----------------------------|---|--------------|
| Level 5 Extreme | Cost of unplanned expenditure or loss of income or cash over \$15 million | 85 |
| Level 4 Major | Cost of unplanned expenditure or loss of income or cash over \$10 million | 35 |
| Level 3 Significant | Cost of unplanned expenditure or loss of income or cash over \$5million | 12 |
| Level 2 Moderate | Cost of unplanned expenditure or loss of income or cash over \$1 million | 5 |
| Level 1 Minor | Cost of unplanned expenditure or loss of income or cash over \$500,000 | 2 |
| No Financial Impact | No measurable financial impact or below \$500,000 | 0 |

Likelihood

| Short Name | Full Description | Value |
|----------------------------|---|--------------|
| Almost/Near Certain | Likelihood of a Consequence occurring from an event within a 10-year period may be credibly regarded as a ‘real possibility’ i.e. the probability of occurrence is greater than non-occurrence. Expected to occur at least once within a 10-year period, i.e. a 1 in 10 year event. | 95 |
| Likely | Likelihood of a Consequence occurring from an event within a 10 year period may be credibly regarded as a ‘real possibility’ i.e. the probability of occurrence is similar to non-occurrence. There is a 50% probability of occurrence within a 10-year period, i.e. between a 1 in 10 and 1 in 20 year event. | 35 |
| Unlikely | Likelihood of a Consequence occurring from an event within a 10-year period would be considered as having some potential to occur. i.e. a reasonable probability of occurrence over time, but less than the probability of non-occurrence. Chance of occurrence is less than 50% within a 10-year period, i.e. between a 1 in 20 and a 1 in 50 year event. | 12 |
| Highly Unlikely | Likelihood of a Consequence occurring from an event whilst possible within a 10-year period would be regarded by most people as unlikely i.e. the probability of non-occurrence is somewhat larger than occurrence. Has less than 10% chance of occurrence within a 10-year period i.e. between a 1 in 50 and 1 in 100 year event. | 5 |
| Rare | The Likelihood of a Consequence occurring from an event is not expected within a 10-year period. Occurrence of the event would probably be regarded as unusual. (The probability of occurrence is quite small). Has less than 1% chance of occurrence in a 10-year period., i.e. a 1 in 100 year event | 2 |

Changes to Risk Register in the June 2017 quarter

QUARTERLY RISK REPORT 30 JUNE 2017

Risks archived during the quarter

| Overall ranking | Risk Id | Risk Category(s) | Description | Inherent risk level | Controls | Residual risk level | Risk owner | Status Change since last quarterly review, including any risk treatments being considered |
|-----------------|---------|---|---|---------------------|---|---------------------|------------|---|
| 5 | 93 | <ul style="list-style-type: none"> • Health and safety of staff and contractors and volunteers • Human resources • Legislative and regulatory • Political | Fatality or permanent disability arising from use of a quad-bike in a manner that doesn't comply with organisational Health and Safety procedures | Very High Risk | Health & Safety Plan Equipment procurement and maintenance Quad bike SOP Quad bike training and competency | Medium Risk | Amanda Cox | No quads remain within the Parks Department, so this risk can be deleted. |

Change of Residual Risk during the quarter

There were no changes to the residual risk rating in the June 2017 quarter.

Top Ten Risks

| QUARTERLY RISK REPORT PER 30 JUNE 2017 | | | | | | | | | |
|--|---------|--|---|---------------------|--|---------------------|---------------------|--------------|--|
| Residual Risk ranking | Risk Id | Risk Category(s) | Description | Inherent risk level | Controls | Residual risk level | Residual risk score | Risk owner | Status change since last quarterly review, including any risk treatments being considered |
| 1 | 115 | <ul style="list-style-type: none"> Services are severely curtailed Loss, failure or damage to assets Financial Political | Failure of KiwiRail network assets or network operations causes damage to GWRL assets or cancellation of multiple services | High Risk | <p>GW ensures that KiwiRail has a robust emergency response plan that:</p> <ul style="list-style-type: none"> - provides for efficient bus replacements - provides for effective customer communications in the event of a failure - includes a separate set of operational parameters relating to earthquake magnitudes and readings from network based ground acceleration sensors <p>GW ensures that KiwiRail has a robust network management plan that:</p> <ul style="list-style-type: none"> - focuses funded renewal activities on critical components of the network - provides for infrastructure maintenance, monitoring and inspections <p>Maintain strong relationships with network owner and the rail operator, including regular meetings and reporting against a clear set of performance targets</p> <p>GW partners an application to the crown (via MoT) for additional funding for 'catch up renewals' for network infrastructure</p> <p>GW participates in Metro Operating Model review led by MoT & Treasury</p> | High Risk | 665 | Angus Gabara | <p>In the quarter GW has:</p> <ul style="list-style-type: none"> • Maintained strong relationships with operators, maintainers and network owners including regular meetings & performance reporting • Continued to closely monitor operational activities across the rail system to ensure that safety, quality standards and reliability of information are maintained by the operators, maintainers and network owners • Worked with KiwiRail to improve Network Asset Management Plan • Provided support to obtain additional deferred renewal funding from MoT to continue face renewal of the overhead traction system on the Hutt Line • Reviewed this risk - no change in status |
| 2 | 77 | <ul style="list-style-type: none"> Health and safety of staff and contractors & volunteers Environmental damage Legislative and regulatory Political | Contaminated site(s) either known or unknown that results in harm to environment and/or health | Very High Risk | <p>Resourcing - additional admin resource has been provided to ensure that the database is updated regularly.</p> <p>The reports provided to the public have been reviewed and reformatted to be more user friendly. Additional technical expertise has also been allocated to review the data provided by the TA's.</p> | Medium Risk | 630 | Lian Butcher | <p>We manage our contaminated land through the Selected Land Use Register (SLUR) database, we have an allocated resource for this. We also manage contaminated land through Rule 55 of the proposed Natural Resource Plan. One of MfE's top ten contaminated sites is Miramar gasworks. A desk top investigation is complete for this site that advises further investigations to take place. We have met with Wellington City Council, Regional public health and MfE to outline the risk and formed a project team. The cross-agency project team are pulling together tasks, timelines and costings for further discussion. Next steps to involve an investigation around the perimeter of the site, and a communication strategy. The outcome of the investigation around the site will dictate how much further investigation may be required. It is likely we will apply to MfE's remediation fund to help with costs if further investigation is warranted. There will be an issue who pays the 'other half' as MfE only contribute half.</p> |
| 3 | 114 | <ul style="list-style-type: none"> Projects | Delivery of the Regional Public Transport Plan (RPTP) put at risk due to delay or cancellation of one or more interrelated projects | Very High Risk | <p>Co-ordinated project management</p> <p>Strong programme management</p> <p>Appropriate programme resources identified & engaged as required</p> <p>Appropriate external assistance</p> <p>Appropriate project governance</p> <p>Maintain strong relationships with WCC & NZTA</p> | Medium Risk | 595 | Wayne Hastie | <p>In the quarter GW has:</p> <ul style="list-style-type: none"> • Continued to utilise the Public Transport Transformation Programme to manage the key large Public Transport Projects, establishing clear accountabilities, structures and reporting arrangements across GWRC, NZTA, WCC and other parties • Reviewed this risk - no change in status |

QUARTERLY RISK REPORT PER 30 JUNE 2017

| Residual Risk ranking | Risk Id | Risk Category(s) | Description | Inherent risk level | Controls | Residual risk level | Residual risk score | Risk owner | Status change since last quarterly review, including any risk treatments being considered |
|-----------------------|---------|--|--|---------------------|--|---------------------|---------------------|-----------------|--|
| 4 | 63 | <ul style="list-style-type: none"> Financial Political | Unnecessary costs or delays incurred as a result of poor Public Transport procurement decisions (including PTOM contracts) | Medium Risk | Ensure documented processes conform to Office of Auditor General's Guidelines and NZ Transport Agency requirements Engage an independent Probity Auditor for all major contracts Internal peer review Ensure all procurement processes have access to staff with an appropriate level of training Seek appropriate legal advice as required Engage a Probity Advisor Engagement of legal and procurement staff Overview by NZTA Projects managed by a separate programme management group with appropriate levels of skills and training | Medium Risk | 560 | Wayne Hastie | In the quarter GW has: <ul style="list-style-type: none"> Utilised the Public Transport Transformation Programme to provide ongoing governance and support for the PTOM projects Continued to engage with the industry and NZTA on the Public Transport Operating Model (PTOM) which will change the way we contract for bus and rail services Worked with external advisers in developing best practice PTOM contracts Reviewed this risk - no change in status |
| 5 | 103 | <ul style="list-style-type: none"> Health and safety of staff and contractors and volunteers Political | Fatality or permanent disability to CM staff arising from use of a quad bike in a manner that doesn't comply with organisational Health and Safety | Very High Risk | Department Hazard Registers Working Alone Procedures & Equipment Departmental Plans - Maintenance Schedules Health & Safety Plan Standard Operating Procedures | Medium Risk | 468 | Wayne O'Donnell | LUV and quad specifications are assessed as part of the procurement process to ensure they are fit for purpose. All staff are required to undertake external training and gain NZQA credits including features and operation of quads and LUVs. Practice days are run for staff who want extra supervised practice. |
| 6 | 136 | <ul style="list-style-type: none"> Services are severely curtailed Financial Political | Inability to adequately respond to another significant seismic event damaging Shed 39 given high probability of another event | Medium Risk | Insurance is in place Department Business Continuity Plans Disaster Recovery Plan | Medium Risk | 456 | Dave Humm | The November earthquakes in Kaikoura have significantly raised the chances of another magnitude 7 event that could impact Shed 39 again. Alternative accommodation in Wellington is in high demand, it might be difficult to relocate again. Longer term plans in terms of accommodation are being considered, including additional space at Walter Street. |
| 7 | 126 | <ul style="list-style-type: none"> Health and Safety of staff, contractors, and volunteers Physical harm to the general public | Fatality or harm to staff working in or near water | High Risk | FPSOP46 Woking in or near water Driver training general and 4WD | Medium Risk | 432 | Wayne O'Donnell | Driving training control added to mitigate risk |

QUARTERLY RISK REPORT PER 30 JUNE 2017

| Residual Risk ranking | Risk Id | Risk Category(s) | Description | Inherent risk level | Controls | Residual risk level | Residual risk score | Risk owner | Status change since last quarterly review, including any risk treatments being considered |
|-----------------------|---------|---|--|---------------------|--|---------------------|---------------------|--------------|---|
| 8 | 106 | <ul style="list-style-type: none"> Services are severely curtailed Physical harm to the general public Political | Failure of KiwiRail network or third party assets, or network operations causes serious injury | High Risk | GW ensures that KiwiRail has a robust network management plan that: <ul style="list-style-type: none"> - focuses funded renewal activities on critical components of the network - provides for infrastructure maintenance, monitoring and inspections GW ensures that KiwiRail has an emergency response plan with the network owner and operator | High Risk | 430 | Angus Gabara | In the quarter GW has: <ul style="list-style-type: none"> • Maintained strong relationships with KiwiRail, the network owners, including regular meetings & health and safety reporting • Continued to closely monitor operational activities across the rail system to ensure that safety, quality standards and reliability of information are maintained by the network owners • Reviewed this risk - no change in status |
| 9 | 118 | <ul style="list-style-type: none"> Health and safety of staff, contractors and volunteers | Unsafe work practices, medical event, or error by one of our contractors or public transport operators causes serious injury | High Risk | GW ensures that: <ul style="list-style-type: none"> - appropriate health and safety clauses are included in contracts, including health and safety plans and reporting - health and safety is adequately funded - audits, monitoring and site inspections take place - SPAD management plan is in place - development of a pathway to implement ETCS - additional train stops installed - simulator | High Risk | 430 | Wayne Hastie | In the quarter GW has: <ul style="list-style-type: none"> • Completed bus operator health and safety audits • Reviewed this risk - no change in status |
| 10 | 130 | <ul style="list-style-type: none"> Services are severely curtailed Financial Political | Timetabled services and public transport facilities are insufficient to meet demand from customers | High Risk | Ongoing major and minor timetable reviews/enhancements Rail contractual provisions requiring the operator to adjust consist size to meet demand Development of plans for future services (Regional Rail Plan RS1) Control of fares to ensure imbalances don't occur that put unnecessary stress on the public transport system Targeted bus services to relieve Park & Ride congestion Inform customers of capacity and constraints, communicating expectation in levels of service | Medium Risk | 350 | Wayne Hastie | In the quarter GW has: <ul style="list-style-type: none"> • Reviewed the risk - no change in status |

| GW Risk Assessment Matrix | | | | | |
|---|--|--|--|---|--|
| | IMPACT | | | | |
| Almost Certain > 90% | Low | Moderate | High | Very High | Very High |
| Likely 75 - 90% | Low | Moderate | Moderate | High | Very High |
| Moderate 50 - 75% | Low | Moderate | Moderate | High | High |
| Possible 25 - 50% | Low | Low | Moderate | Moderate | Moderate |
| Unlikely < 25% | Low | Low | Low | Moderate | Moderate |
| | Minor | Moderate | Significant | Major | Extreme |
| Operational Capability | Event causes minor disruption felt by limited small group of stakeholders and/or Minor staff morale impact resulting in minor desentation but managed over short period of time | Event reduces efficiency or effectiveness of service. Managed internally with no or limited diversion from strategic objectives and/or Moderate staff morale problems resulting in some staff resignations but managed through minor restructuring. | Event results in management diversion from strategic objectives for a period > 2 months and/or delivery of LTP outcomes across work area significantly affected for up to one month. Minor detrimental effects on stakeholders and/or major morale affecting performance and productivity may arise and could lead to loss of key staff skills, within one area of council, resulting in skills, knowledge and expertise deficits within this area of council. | Event results in management diversion from strategic objectives for a period of > 6 months and/or delivery of LTP outcomes across work area significantly affected for up to six months. Moderate detrimental effects on stakeholders. Event results in loss of operational capability for up to 2 months and/or major morale or other organisational problems affecting performance and productivity may arise and could lead to loss of key staff within two or more areas of council, resulting in skills, knowledge and expertise deficits. | Event results in management diversion from strategic objectives for a period of > 12 months and/or delivery of LTP outcomes across work area significantly affected for greater than six months. Critically detrimental effects on stakeholders. Long term loss of capability (>12 months) and/or severe staff morale problems may likely arise leading to loss of a significant number of key senior staff, impacting on skills, knowledge and expertise. |
| Stakeholders / Reputation <small>Could include: Legal/Regulatory Executive Support Governance & Funders Communication</small> | Individual(s) express dissatisfaction through local media to GWRC directly and/or Individual(s) refuse to pay fees/rates as a stand against council activities | Single stakeholder sector express dissatisfaction through national media for up to one month and/or Central Government – CEO, Ministry for the Environment directed by Minister to make enquiries | 2-3 stakeholders sectors dissatisfaction expressed through media resulting in a long period of negative coverage (>2 months) and/or Central Government impose statutory sanctions. | Major loss of stakeholder confidence and/or extensive stakeholder dissatisfaction expressed through media resulting in a long period of negative coverage (>2 months). Widespread, unified, coordinated revolt by consent holders and/or ratepayers against fees/conditions or sanctions imposed against the organisation. | Extreme dissatisfaction and loss of confidence by stakeholders and/or regulatory body investigation and/or statutory management installed and/or significant sanctions against the organisation. |
| Health & Safety | No harm foreseen. First aid injury but no or minimal medical treatment required | Slightly harmful – Medical aid required. Lost time injury < 1 week | Harmful - Serious injury and/or permanent disability. Lost time injury > 1 week | Very harmful - Single fatality and /or multiple severe injuries/disabilities | Extremely harmful - Multiple fatalities |
| Environment <small>Could include: Climate Change</small> | Negligible impact to the environment, and/or effects able to be fully mitigated within 1 week. Climate change effects e.g. rainfall, drought, wind are identified but highly unlikely to impact deliverables. Negligible emissions are produced. | Material damage to the environment of local importance, and/or with prosecution possible, and/or effects able to be fully mitigated within 3 months. Climate change effects e.g. rainfall, drought, wind are identified and have some impact to deliverables but able to managed within the project. Possible emissions. | Serious damage to the environment of local importance, and/or with prosecution probable, and/or effects able to be fully mitigated within 1 year. Climate change effects e.g. rainfall, drought, wind are identified and likely to impact deliverables. Emissions are likely. | Serious damage to the environment of national importance, and/or with prosecution expected, and/or effects able to be fully mitigated within 5 years. Climate change effects e.g. rainfall, drought, wind are highly likely to impact project deliverables. Emissions are evident. | Serious damage to the environment of national importance, and/or with prosecution certain, and/or effects not able to be fully mitigated. Deliverable/s will not be met due to climate change effects. Significant emissions are produced by the project. |
| Financial | Cost of unplanned expenditure or loss of income or cash over \$500,000 | Cost of unplanned expenditure or loss of income or cash over \$1 million | Cost of unplanned expenditure or loss of income or cash over \$5million | Cost of unplanned expenditure or loss of income or cash over \$10 million | Cost of unplanned expenditure or loss of income or cash over \$15 million |
| Business Deliverable (quality) <small>Could include: Technical /Design User Acceptance</small> | A few minor business/project deliverables not met | Nearly all business deliverables met | Most deliverables met | Only a few business deliverables met | Not implemented or does not meet business deliverables |
| Project Budget | Can manage within base budget | Contingency required | CEO approval needs to be sought for additional budget | Board and/or CEO approval needs to be sought for additional Budget | Repeat approval needs to be sought for additional Budget |
| Project Schedule <small>Could include: Approvals</small> | Slightly late but < 10 % beyond initial time scope | 10 - 25% over initial time scope | 25 - 50% over initial time scope | 50 - 100% over initial time scope | Exceeds 100% initial time scope |
| Procurement | Minor Vendor quality issues or delays experienced finding suitable vendors, but is manageable within project. | Moderate changes required within the project to accommodate Vendor quality or delays finding suitable vendors | Significant change/compromises required within the project to accommodate Vendor quality or delays finding suitable vendors | Change control required to accommodate Vendor quality or delays finding suitable vendors | Change control requiring CEO and/or Board approval required to accommodate Vendor quality or delays finding suitable vendors |
| Business Integration | Project has minor issues integrating with processes, systems, organisations, culture | Project has moderate issues integrating with processes, systems, organisations, culture | Project has significant issues integrating with processes, systems, organisations, culture | Project has major issues integrating with processes, systems, organisations, culture | Project does not integrate with processes, systems, organisations, culture |
| Resources & Team | Staff working at full capacity | Minimal staff capacity in non-critical areas Increased absenteeism / illness increased hours being worked | Minimal staff capacity in critical areas Substantially increased project team personnel turnover, or excessive hours being worked | Staff shortages in critical areas Results in multiple injuries or serious illness | Total loss of organisational capability to undertake project |

Catchment Management - Risk Register as at 30 June 2017

| QUARTELY RISK REPORT 30 JUNE 2017 | | | | | | | | | | |
|-----------------------------------|---------|--|--|-------------------------------|---|------------------------------|-----------------|---------------------|--|--|
| Overall ranking by residual | Risk ID | Risk Category(s) | Description | Inherent Risk before Controls | Controls | Residual Risk after Controls | Risk Owner | Residual risk score | Status Change and Improvements during the quarter | |
| 5 | 103 | Health and Safety to staff, contractors, and volunteers Political | Fatality or permanent disability to CM staff arising from use of a quad bike in a manner that doesn't comply with organisational Health and Safety | Very High Risk | Department Hazard Registers Working Alone Procedures & Equipment Schedules Departmental Plans - Maintenance Schedules Health & Safety Plan Standard Operating Procedures | Medium Risk | Wayne O'Donnell | 468 | LUV and quad specifications are assessed as part of the procurement process to ensure they are fit for purpose. All staff are required to undertake external training and gain NZQA credits including features and operation of quads and LUVs. Practice days are run for staff who want extra supervised practice. | |
| 7 | 126 | Health and Safety to staff, contractors, and volunteers Physical harm to the general public | Fatality or harm to staff and contractors working in or near water | High Risk | FPSOP46 Working in or near water Driver training general and 4WD | Medium Risk | Wayne O'Donnell | 432 | Driver training control added to mitigate risk | |
| 18 | 17 | Loss, failure or damage to assets Environmental damage Financial, Political | Failure of flood protection structures and measures due to flooding | High Risk | Insurance is in place Flood Protection Asset Management Plans (FPAMP) Specific contingency fund to assist with damage repair for structures | Medium Risk | Graeme Campbell | 195 | 2017 Infrastructural asset condition assessments complete. Comprehensive dam safety assessments completed for Porirua Detention Dams and Barrage Gates. Risk assessment processes on going. | |
| 19 | 132 | Environmental damage | Biosecurity incursions exceed GW's response capability | High Risk | Ministry of Primary Industries Import quality standards, border controls, post border monitoring Representation on national bodies or strategy groups to manage incursion response | Medium Risk | Wayne O'Donnell | 192 | Biosecurity team is involved with the Velvet Leaf and Pea weevil responses. Staff follow GWRC H&S policies and guidelines, and are using GWRC vehicles and suitable PPE when undertaking response activities | |
| 21 | 57 | Health and Safety to staff, contractors, volunteers and physical harm to the general public Financial, Political, Human Resources, Legislative & Regulatory | Death and severe harm to staff, contractors and public while undertaking work programmes | High Risk | Department Hazard Registers Working Alone Procedures & Equipment Health & Safety Plan Department Standard Operating Procedures | Medium Risk | Wayne O'Donnell | 180 | Efforts to raise risk awareness and encourage information sharing is continuing. Related to this is the design of improved job management processes and tools including GIS interface for site hazard and job area identification. Other work streams include the development of audit tools and techniques and the review of contractor management policy | |
| 23 | 137 | Financial, Political | RiverLink property cost increase | Very High Risk | Review acquisition timeframe | Medium Risk | Graeme Campbell | 175 | Continuing escalation of property costs. Impact of the Resource Legislation Act to be quantified. Property requirements of project partners being defined. | |

| QUARTELY RISK REPORT 30 JUNE 2017 | | | | | | | | | |
|-----------------------------------|---------|---|--|-------------------------------|---|------------------------------|------------------|---------------------|---|
| Overall ranking by residual | Risk ID | Risk Category(s) | Description | Inherent Risk before Controls | Controls | Residual Risk after Controls | Risk Owner | Residual risk score | Status Change and Improvements during the quarter |
| 24 | 72 | Health and Safety to staff, contractors, volunteers and physical harm to the general public Environmental damage Financial, Political | Harm to staff, contractors and public when carrying out aerial pest control operations | High Risk | TBfree 1080 Aerial application standard operating procedure GWRC Contractor Management Policy Site Specific Work Plans and the Biosecurity Department Standard Operating Procedures Biosecurity Department Health & Safety Plan and Hazard Register | High Risk | Wayne O'Donnell | 170 | All aerial operations are subject to detailed planning and delivered by the experienced operators and CAA accredited and highly skilled helicopter companies. The planning and emergency provisions of planning were tested during the recent Southern Rimutaka 1080 aerial operation when one of the helicopters had engine fault and had to go through an emergency landing procedure. Pilot skill and experience enabled safe landing of the machine which was repaired and flown again the day after the incident. GWRC staff followed SSWP and GWRC Incident Management Policy proving their effectiveness in helping staff on the ground follow the proper process. |
| 32 | 97 | Loss, failure or damage to assets Environmental damage, financial, political Physical harm to the general public | Failure of flood protection structures and measures due to earthquakes | High Risk | Insurance is in place Contingency fund to assist with damage repair to structures | Medium Risk | Graeme Campbell | 102 | 2017 Infrastructural asset condition assessments complete. Technical assessments undertaken following November 2016 earthquakes. Comprehensive dam safety assessments completed for Porirua Detention Dams and Barrage Gates. Risk assessment processes on going. |
| 40 | 19 | Health and Safety to staff, contractors, volunteers and physical harm to the general public Financial, Political, Legislative & Regulatory | Harm to staff, contractors and public from ground pest control operations | Medium Risk | Department Hazard Registers Biosecurity Department Hazard Registers Health & Safety Plan Biosecurity Department Health & Safety Plan GWRC and Biosecurity department Standard Operating Procedures Site Specific Work Plans GWRC Contractor Management Policy | Medium Risk | Davor Bejakovich | 70 | All relevant SOP have been reviewed and systems in place for induction (where required), training and mentoring, and monitoring of implementation. The department has undergone annual self assessment and confirmed compliance with the ACC tertiary level H&S system accreditation. |
| 48 | 109 | Loss, failure or damage to assets Environmental damage | Disease damage to trees on flood bank | Medium Risk | Flood Protection Asset Management Plans (FPAMP) Regular patrols by staff | Low Risk | Graeme Campbell | 35 | Ongoing monitoring of vegetative assets. Reduced presence of giant willow aphid during 2016/17 summer. |



Report 17.340
Date 12 September 2017
File CCAB-22-233

Committee Finance Risk and Assurance Committee
Author Deborah Hume, Programme Director, PTPP

Risk overview for Public Transport Operating Model (PTOM) and bus transition

1. Purpose

To provide the opportunity to review the highest rated items in the Greater Wellington Regional Council (GWRC) corporate risk register that relate to the PTOM and bus transition programme.

2. Background

GWRC maintains and regularly reviews a corporate risk register that captures risks that impact on the Council and its operations (consistent with GWRC Risk Management Policy). Public Transport has recently completed a review, and with the PTOM and bus transition programme entering its implementation stage, it seems timely to present updated content.

3. Comment

There are currently 21 risks listed in the corporate risk register under the responsibility of the Public Transport group. Of those, 10 are in some way connected to the current phase of implementing PTOM and bus transition (refer [Attachment 1](#) for description). Of those, three are presently in the top 10 risks for GWRC as of now they are:

Risk 51: Currently contracted bus services fail to operate, are unreliable or of poor quality, (e.g. due to operator staffing levels, industrial action, fleet management, maintenance or safety issues), which causes a loss in customer confidence in the services. NB this risk was recently re-rated.

Risk 114: Complex programmes of interrelated work-streams: bus contracts, new bus network, new bus fleet, interim and national ticketing

Risk 63: GW incurs unnecessary costs or delays as a result of Public Transport procurement resulting in: project or service implementation delays; GW entering contracts that do not deliver the best value for money.

While these three items have high inherent risk, all are described as having medium residual risk due to named controls being deemed satisfactory or effective (refer [Attachment 1](#)).

4. Communication

No decision is being sought in this report. This report is presented in the interests of FRAC undertaking its role to monitor significant risks and provide assurance to Council.

5. Consideration of Climate Change

The matters addressed in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

5.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Officers have considered the effect of the matters on the climate. Officers consider that the matters will have no effect.

Officers note that the matter does not affect the Council's interests in the Emissions Trading Scheme (ETS) and/or the Permanent Forest Sink Initiative (PFSI).

5.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Officers have considered the impacts of climate change in relation to the matters. Officers recommend that climate change has no bearing on the matters.

5.3 Engagement

Further engagement on this matter is unnecessary.

6. Recommendations

That the Committee:

- 1. Receives the report.*
- 2. Notes the content of the report.*

Report prepared by:

Deborah Hume
Programme Director, PTTP

Report approved by:

Greg Campbell
Chief Executive

Attachment 1: Public Transport Risks related to PTOM and Bus Transition

Public Transport Risks related to PTOM and Bus Transition

| Risk Id | Details | Risk owner | Inherent risk level | Controls | Residual risk level | Residual score | Risk owner | Treatment Options |
|---------|---|--------------|---------------------|---|---------------------|----------------|--------------|-------------------|
| 51 | Currently contracted bus services fail to operate, are unreliable or of poor quality, (e.g. due to operator staffing levels, industrial action, fleet management, maintenance or safety issues), which causes a loss in customer confidence in the services | Matthew Lear | High Risk | Enforceable Contracts with suppliers(Confidence:Ineffective, Reliance:Critical) Department Business Continuity Plans(Confidence:Ineffective, Reliance:Important) Disaster Recovery Plan(Confidence:Satisfactory, Reliance:Significant) Maintain strong relationships with bus operators including regular meetings and reporting on performance (Confidence:Satisfactory, Reliance:Critical) Ensure bus operators have an operational plan for managing minimum service levels in the event of prolonged industrial action (Confidence:Satisfactory, Reliance:Important) Ensure bus operators have maintenance programmes that ensure ongoing assessment of compliance, as well as suitable preventative maintenance programmes (Confidence:Satisfactory, Reliance:Important) Ensure that contingency plans are considered at the first sign of pending insolvency (Confidence:Satisfactory, Reliance:Important) Ensure bus operators have appropriate health and safety procedures and reporting (Confidence:Satisfactory, Reliance:Important) Move to performance based contracts that promote compliance with performance targets(Confidence:Satisfactory, Reliance:Important) | Medium Risk | 630 | Matthew Lear | |
| 114 | Complex programmes of interrelated work-streams: bus contracts, new bus network, new bus fleet, interim and national ticketing | Wayne Hastie | Very High Risk | Co-ordinated project management Strong programme management Appropriate programme resources identified & engaged as required Appropriate external assistance Appropriate project governance Maintain strong relationships with WCC & NZTA Monthly major project reporting to ELT, providing additional level of review as to status, progress and risk profile(Confidence:Effective, Reliance:Significant) | Medium Risk | 595 | Wayne Hastie | |

| | | | | | | | | |
|-----|--|--------------|-------------|---|-------------|-----|--------------|--|
| 63 | GW incurs unnecessary costs or delays as a result of Public Transport procurement resulting in: project or service implementation delays; GW entering contracts that do not deliver the best value for money | Wayne Hastie | Medium Risk | Ensure documented processes conform to Office of Auditor General's Guidelines and NZ Transport Agency requirements (Confidence:Satisfactory, Reliance:Significant) Engage an independent Probity Auditor for all major contracts (Confidence:Effective, Reliance:Significant) Internal peer review (Confidence:Effective, Reliance:Significant) Ensure all procurement processes have access to staff with an appropriate level of training (Confidence:Satisfactory, Reliance:Significant) Seek appropriate legal advice as required (Confidence:Satisfactory, Reliance:Significant) Engage a Probity Advisor (Confidence:Effective, Reliance:Significant) Engagement of legal and procurement staff (Confidence:Satisfactory, Reliance:Important) Overview by NZTA (Confidence:Satisfactory, Reliance:Important) Projects managed by a separate programme management group with appropriate levels of skills and training (Confidence:Satisfactory, Reliance:Important) | Medium Risk | 560 | Wayne Hastie | Option 1: Negotiate a settlement to minimise loss |
| 118 | Serious injury is caused by unsafe work practices, a medical event, or error by one of our contractors or public transport operators | Wayne Hastie | High Risk | GW ensures that: - appropriate health and safety clauses are included in contracts, including health and safety plans and reporting - health and safety is adequately funded - audits, monitoring and site inspections take place - SPAD management plan is in place - development of a pathway to implement ETCS - additional train stops installed - simulator(Confidence:Satisfactory, Reliance:Important) | High Risk | 430 | Wayne Hastie | |

| | | | | | | | | |
|-----|---|--------------|-------------|---|-------------|-----|--------------|--|
| 130 | Contracted bus, rail or ferry services or public transport infrastructure (including Park & Ride) fail to meet customer demand, causing loss of customer satisfaction, patronage and fare revenue | Wayne Hastie | High Risk | <p>Ongoing major and minor timetable reviews/enhancements</p> <p>Rail contractual provisions requiring the operator to adjust consist size to meet demand</p> <p>Development of plans for future services</p> <p>Control of fares to ensure imbalances don't occur that put unnecessary stress on the public transport system</p> <p>Targeted bus services to relieve Park & Ride congestion</p> <p>Inform customers of capacity and constraints, communicating expectation in levels of service(Confidence:Satisfactory, Reliance:Significant)</p> | Medium Risk | 350 | Wayne Hastie | |
| 80 | Severe weather or adverse environmental conditions could cause major disruption to public transport services | Wayne Hastie | Medium Risk | <p>Department Business Continuity Plans(Confidence:Satisfactory, Reliance:Important)</p> <p>Ensure operators have an emergency response and communications plan for management of weather events.</p> <p>Appropriate insurance arrangements put in place (Confidence:Satisfactory, Reliance:Important)</p> <p>Appropriate plans in place with Civil Defence Emergency Management (Confidence:Satisfactory, Reliance:Important)</p> <p>Appropriate preventative maintenance plans put in place on Rail network (Confidence:Satisfactory, Reliance:Important)</p> <p>Asset management plans in place (Confidence:Satisfactory, Reliance:Important)</p> <p>Dedicated rail CCTV monitoring centre (RMC) (Confidence:Effective, Reliance:Important)</p> <p>GW is part of the Regional Transport Response Team (RTRT), along with NZTA, Police, WCC (Confidence:Satisfactory, Reliance:Important)</p> <p>GW staff undergoing CIMS training(Confidence:Satisfactory, Reliance:Important)</p> | Medium Risk | 245 | Wayne Hastie | Option 1: Improve systems within GWRC in order to centralise and coordinate communication with bus and ferry operators, as well as manage all customer information during a weather event. |

| | | | | | | | | |
|-----|--|--------------|-------------|--|-------------|-----|--------------|--|
| 124 | Transition to a new fare structure and fare products could cause patronage to remain static or fall, thereby causing revenue to remain static or fall | Paul Kos | High Risk | Appropriate project management in place - risks identified - external assistance Peer reviews of modelling (Confidence:Satisfactory, Reliance:Important) | Medium Risk | 180 | Paul Kos | |
| 123 | Transition to a new bus network, fleet and contracts could cause reduced service levels, causing a loss of confidence in the services, thereby reducing, or causing to remain static, patronage and revenue | Rhona Hewitt | High Risk | Appropriate programme management in place - projects identified - responsibility allocated - regular monitoring - escalation - staggered transition(Confidence:Satisfactory, Reliance:Important) | Medium Risk | 168 | Rhona Hewitt | |
| 129 | Material amounts of fare revenue are not collected because of fraud or errors in revenue collection | Wayne Hastie | Medium Risk | CCTV on trains Clear contract provisions Operator revenue protection plan Operator reconciliation of farebox account Revenue protection policy Monitoring of revenue collection Audit of fare revenue collection procedures(Confidence:Satisfactory, Reliance:Significant) | Medium Risk | 140 | Wayne Hastie | Option 1: Electronic ticketing system Option 2: Revenue protection policy |
| 113 | Failure of trolley overhead network asset causes withdrawal of services on trolley bus routes, or danger to the public | Matthew Lear | High Risk | GWRC ensures that WCCL maintains and inspects the network (Confidence:Satisfactory, Reliance:Significant) Maintain strong relationships with WCCL, including regular meetings and reporting on assets (Confidence:Satisfactory, Reliance:Important) | Medium Risk | 132 | Matthew Lear | Option 1: Plan for network decommissioning |
| 59 | Safety issue causes majority of the fleet to be withdrawn, significantly impacting negatively on ability to deliver rail services, causing loss of confidence in the the rail service thereby reducing patronage and revenue | Barry Fryer | High Risk | Ensure maintenance inspection regimes are followed (Confidence:Effective, Reliance:Significant) GW ensures that maintainer effectively manages fleet failure modes and issues through FRACAS process, and ensures GW maintains full visibility of this (Confidence:Effective, Reliance:Important) Train manufacturer undertakes maintenance (Confidence:Effective, Reliance:Important) Maintain close working relationships with train suppliers, original equipment manufacturers (OEM's), operational and maintenance contractors (Confidence:Satisfactory, Reliance:Routine) Employ appropriately skilled and trained people (Confidence:Effective, Reliance:Significant) Regulatory obligations of operators and providers (Confidence:Effective, Reliance:Important) | Medium Risk | 120 | Barry Fryer | |



Report 2017.322
Date 21 September 2017
File CCAB-22-226

Committee Finance, Risk and Assurance Committee
Author Dave Humm, General Manager Corporate Services / Chief Financial Officer, and Lucy Matheson, General Manager, People & Customer

General Managers' report to the Finance, Risk and Assurance Committee on 21 September 2017

1. Purpose

To inform the Committee of Greater Wellington Regional Council (GWRC) activities relating to the Committee's areas of responsibility.

2. Corporate Services

2.1 Finance

2.1.1 Finance summary

The main focus of the finance function is on the completion of the annual report, progressing the replacement of our finance, HR & Asset Management systems (ERP), reviewing the revenue and financing policy, and developing budgeting options for the Long Term Plan (LTP).

The timeline for the completion of the annual report is likely to be extended as a result of Centre Port financial information being received at a later date in the year end cycle. This delay is a result of the added complexity created by the November 2016 earthquake and getting audit clearance.

The business case for the design phase of the replacement of our ERP system has been approved by Officers and is planned to commence in October. The system will be provided by Agilyx (Unit4) and Accela.

Several workshops to review the revenue and finance policy have been completed. Options will now be presented and considered over the next month with a focus on Public Transport and Flood protection.

Following the completion of the Council activity review, the preparation of the first draft budget for the long term plan is in progress. The focus is on preparing budget scenarios for discussion with Council at upcoming workshops.

2.2 ICT

2.2.1 ICT Summary

The GWRC IT Vision has been socialised with Council and with Officers and been supported by both. A number of initiatives are underway that are aligned to the IT Vision (PT Business Readiness, ERP Replacement)

Over the course of the past three months, GWRC has encountered several email-based Phishing attacks. This has been part of a world-wide epidemic. Phishing is the attempt to obtain sensitive information such as usernames, passwords, and credit card details (and, indirectly, money), often for malicious reasons, by disguising as a trustworthy entity in an electronic communication.

These attacks were contained with no resulting serious impacts on GWRC. They have highlighted the need for additional defences to be put in place to improve defence against future attacks. The additional measures involve enhanced monitoring of our Microsoft Office 365 environment and greater security awareness by all GWRC staff.

2.3 Treasury

2.3.1 Investment Management

GWRC refinanced \$25 million of our \$50 million Local Government Funding Authority (LGFA) debt that is due for repayment on 15 December 2017. This was via the LGFA for a 9 year term, until June 2026.

Funds were raised at a fixed rate of 4.21% and converted to a floating rate until June 2022, in order to provide additional fixed rate cover beyond this date.

We intend to refinance the remaining \$25 million before December, dependent upon market conditions.

2.3.2 WRC Holdings

Interviews for new Directors were held on 15 September with a report back to Council once deliberations are completed by the Nominations Group.

Recent quarterly reporting to Council on WRC Holdings Group activities has been well received with more time now scheduled for on-going presentations.

2.3.3 Insurance

Our Material Damage Business Interruption (MDBI) Insurance, which accounts for around 80% of our insurance cost, is on a two year contract and is into its second year in October.

Several insurance companies insuring the collective (GWRC, HCC, UHCC, PCC, & KCDC) have indicated they will not renew existing terms. This has meant either new insurers will need to be found, or existing insurers will need to take up more capacity. This will result in higher premiums for the collective, which is an expected consequence of the Kaikoura earthquake.

Other insurances which are up for renewal in April 2018 are also expected to increase, albeit to a lesser extent.

2.3.4 Risk Management

The risk report presented to FRAC will now include the residual risk score enabling Committee members to see the relativity of similarly ranked, high medium low risk levels.

2.3.5 Business Assurance (internal audit)

Work is underway with 'Project ArCee' which is looking at core financial processes. The project has identified 12 processes; procurement, purchasing, accounts payable, cash management, accounts receivable, general ledger and, payroll, HR in relation to payroll, project accounting, cost allocation accounting, financial accounting and treasury internal loans.

The purpose of this is to understand the existing processes, with a customer and risk management focus, determine where quick-win improvements can be made within the next 12-18 months and provide the documentation for the design for the recently approved enterprise resource planning (ERP) system. This work is being completed by our staff with PwC providing a quality assurance review, including technical support and oversight.

PwC will provide a report on the work which will be brought to a future FRAC meeting.

2.4 Legal, Procurement, and Asset Management

Following an appointment to the dedicated role of procurement advisor, more support is being provided to procurement activity across the GWRC's business. Good progress is being made on the procurement policy and associated templates. Contract management practices are also being reviewed.

A significant amount of legal and procurement time is being spent with Public Transport, in relation to the various aspects of PTOM Bus business readiness (infrastructure and ICT related procurement and contracting), and also in relation to the selection of external legal providers for the NTP GRETS programme.

Working up the Infrastructure Strategy for the Long Term Plan, and preparation work for the asset management aspects of the new ERP system, are the main focus areas for asset management.

2.5 Programme Management Office (PMO)

Risk identification and mitigation is part of the change control process recently strengthened. The PMO is actively working with senior business and project managers encouraging them use the process to identify, manage and communication significant changes to projects in a transparent and controlled manner. The focus is on major projects initially, followed by high priority projects, and aligns with the existing financial delegated authorities.

The PMO has introduced a 'Project Health Check' process. The process identifies projects with escalated risks and issues and aims to return them to a positive 'even keel' status by working alongside and supporting project managers and owners.

Ongoing process improvement with major project reporting both at the monthly Executive level and the Quarterly review continues to ensure clear, concise and effective reporting.

3. People and Customer

3.1 Human Resources

3.1.1 Living Wage implementation

Council's decision of 5 April 2017 to implement the Living Wage of \$20.20 per hour has been implemented for those staff previously below this rate. All GWRC permanent staff are now paid the living wage effective 1 September 2017.

3.1.2 Engagement

Our latest engagement survey results were available in July. Our overall grand mean has reduced slightly from 4.03 to 4.00 which is not deemed to be statistically significant. This is a very good result this year given the level of upheaval caused by the challenges of multi locations and the amenities at the port, where a large proportion of employees work.

3.1.3 Leader and staff development

Nearly all employees have undertaken workshops aimed at increasing skills in customer led thinking. Teams are now coming up with plans designed to improve the way we deliver to our community and stakeholders, and to each other.

3.2 Health and Safety

A summary of health and safety initiatives is detailed in a separate report to this Committee (refer report 17.339).

3.3 Customer Contact

A summary of Contact Centre monthly activity and results is attached as [Attachment 1](#).

3.4 Communications and Marketing

Building our communications & marketing capability, enhancing brand experience.

Our new team - The Customer Engagement Department, is in place and currently being operationalised.

The enhanced capability around brand, marketing and engagement is starting to have impact with significant changes to the proposed comms and marketing plans underway.

A strategy has been built and endorsed by Management and Councillors – for brand narrative, positioning and strategy for both the GWRC brand and the Metlink brand. Work is now being scoped for a roll-out plan for the implementation of both brands into the market.

As both programmes of work are a refreshment of current, rather than a re-launch, the approach take will be that of a pragmatic roll-out over 2 to 5 years as items need replacing. As such, budgets for the work are covered within operational BAU for the Customer Engagement team.

3.4.1 Bringing in strategic support and partners

We have brought in a specialist retail and digital marketing partner to work on the Metlink brand going forward. The supplier is a local Wellington-based company called Heyday. They have already provided expert advice on the Metlink brand tone of voice, narrative and positioning and will be an excellent advisor for the coming months as Metlink needs to be a more commercial, customer-facing retail service provider following the PTOM requirements.

Due to the changing team and shifts in the scope of requirements for engagement and marketing comms going forward – it is proposed that another audit is undertaken for the current supplier situation – for the rest of GW. It is expected that whilst we have ‘cleaned up’ a lot of the fragmented activity through a more robust and planned approach (particularly within the Metlink space) – there will still be laggards within our current model and light governance over some GWRC customer-facing outputs.

Working with the procurement team we will set up a stakeholder group to review and finalise a set of preferred partners for GWRC in this space.

3.4.2 Listening to our customers and learning about what they want/need

In an effort to be more ‘outside-in’ with our comms and marketing strategies and activities, we have commissioned research that will inform our decisions and give us a better understanding of the attitudes and beliefs of our target audiences.

The research is being undertaken by well-known societal trend anthropologists, Windshift Research. It is a mix of qualitative groups supported by quantitative field data research. It will allow us to broadly understand the following:

- New Zealanders’ perceptions of themselves, their country and their values – people’s view of their future and what they want from life.
- Expectations of governing bodies and rule-makers – are they changing?
- What social values, social myths and stories and personal beliefs are most common across New Zealand and within different groups?
- Demographic (especially ethnic and generational) and psychographic influences on social and cultural values.
- Key differences between Auckland, Wellington, Christchurch and more mono-cultural/older provincial communities.
- The effects of events on people’s values in NZ e.g. earthquakes, financial upheaval or success, migration or return to NZ from long-term travel.

- Key markers of social values e.g. heroes and influencers, media and online preferences, brands, sports and leisure activities, attitudes to governance, living styles, work attitudes, family expectations.

The extensive quantitative and qualitative findings are now in, along with a fulsome description of the different 'tribes' that make up our diverse region. (Note, this is building on the previous "Tribes of New Zealand" book and findings published approximately 7 years ago). The Customer Engagement team is now developing an internal engagement programme to share these insights – with both the Councillors and the people of GWRC.

3.4.3 Reputation enhancement via growing relevance

Work is near completion on delivering the first programme of activity in our multi-channel external marketing and communications campaign. This campaign approach is designed to enhance reputation, improve awareness and relevance, and grow perceived value in GWRC. The campaign will:

- Be clear and concise on messaging.
- Have appropriate volume and channel usage to reach our desired audiences.
- Be heavy on social and digital channel and approach.
- Be consistently run over the next year for message cut-through and effectiveness.

The campaign will be supported internally for alignment and will include paid and unpaid media (PR) as well as leveraging all our owned channels (such as our websites and social media real estate).

This campaign approach starts with an extensive narrative around water – and all the complex parts of our involvement in that broad eco-system. Water is a very important issue to many people across the region, for many reasons – and we are sharing our important role here. The campaign will be ready for launch following this year's election.

The campaign assets have been co-created through socialisation with multiple audiences – internally and externally. It will all be shared with GWRC people and Councillors prior to launch.

4. **Communication**

No external communication is required as an outcome of this report.

5. **The decision-making process and significance**

No decision is being sought in this report.

6. **Engagement**

Engagement on this matter is unnecessary.

7. Recommendations

That the Committee:

- 1. Receives the report.*
- 2. Notes the content of the report.*

Report prepared by:

Dave Humm
General Manager Corporate Services
/ Chief Financial Officer

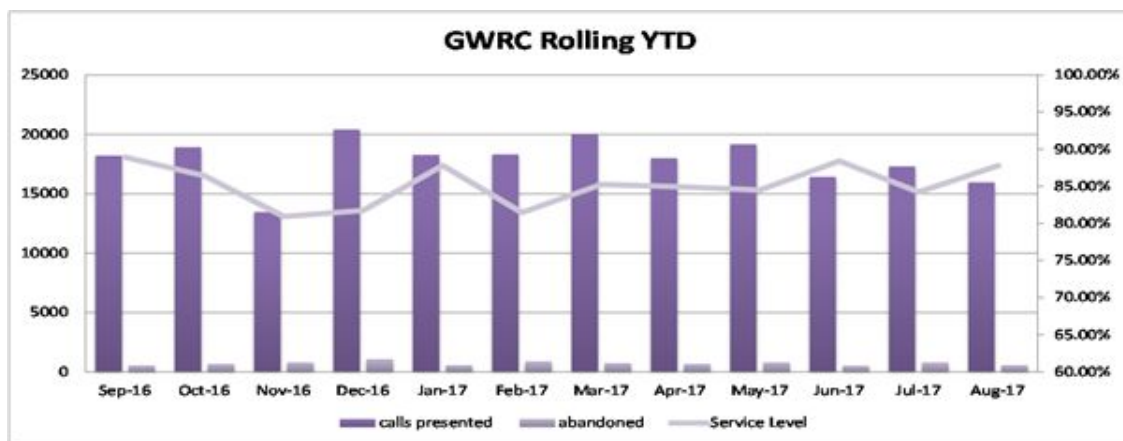
Report approved by:

Lucy Matheson
General Manager, People
and Customer

Attachment 1: Contact Centre monthly activity and results

Contact Centre Report

August 2017



| | |
|-----------------------|------------|
| Calls Presented | 15952 |
| Calls Abandoned | 549 |
| Service Level | 87.78% |
| Average Handling Time | 94 Seconds |

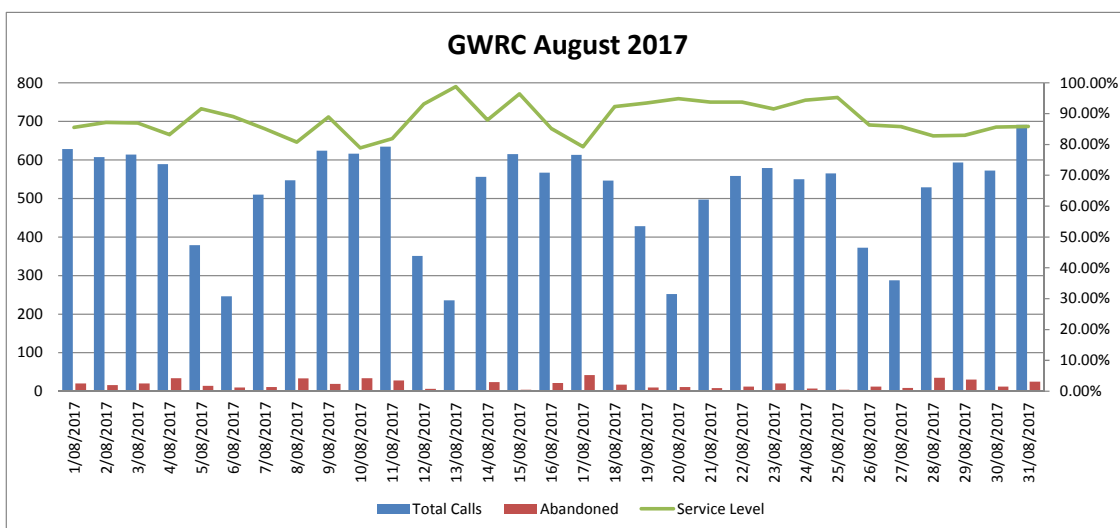
A drop in call volumes this month with 1344 fewer calls than July. This represents our lowest volume since October 2015 when new systems were introduced. Service level remained above 80% on all but 2 days of August. The lowest being 78.90%. Apart from the ongoing issue with slips around the Wellington region there were no other major incidents which is a contributor to the drop. With the increase in smart phones use and their applications, messaging and info sent to customers via this medium were also a potential factor in the reduction of calls to the Contact Centre.

Planned Leave = 166 Hours & Unplanned = 178

Coaching, Training etc...

- Manager, Team Leader and Performance Analyst attended CCINZ conference and awards dinner in Auckland. Manager won Contact Centre Manager of the Year award.
- 2 Agents attended Induction workshop
- 1 Agent upskilled to take GWRC Reception Calls
- TL carried out 1 on 1's
- Agents briefed by Paul Kos regarding the Fare Consultation process.

Metlink



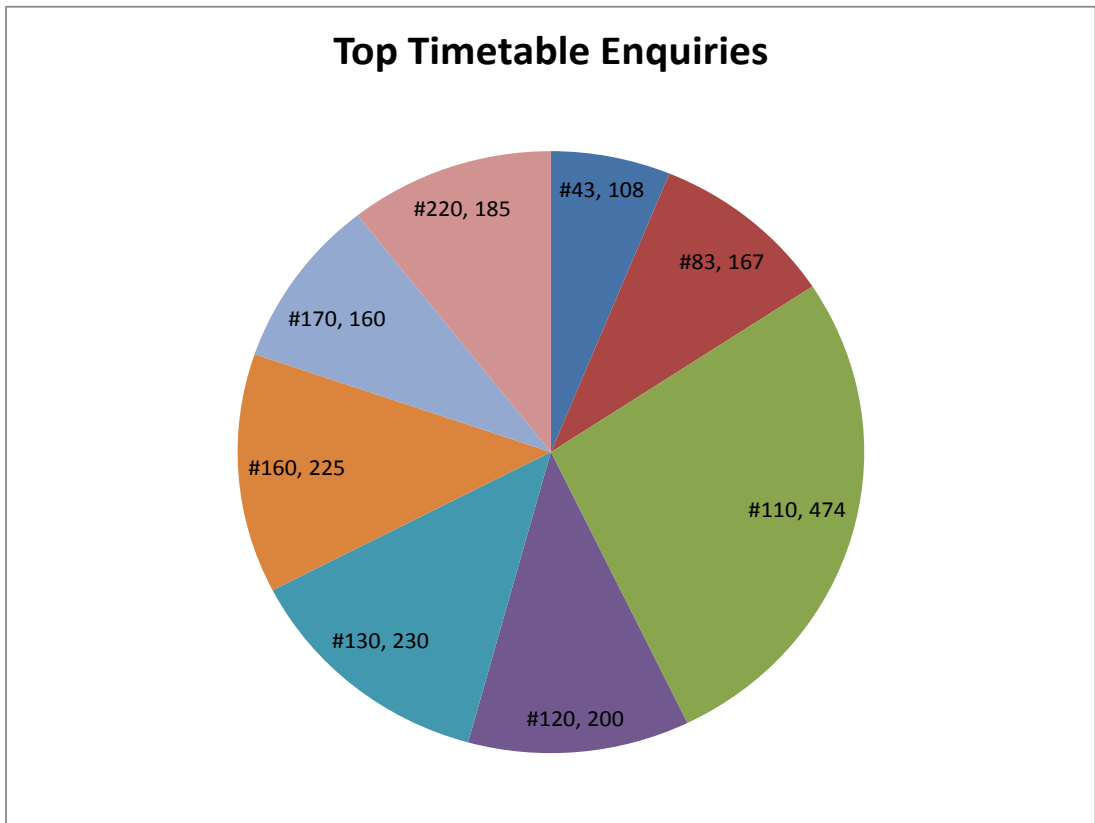
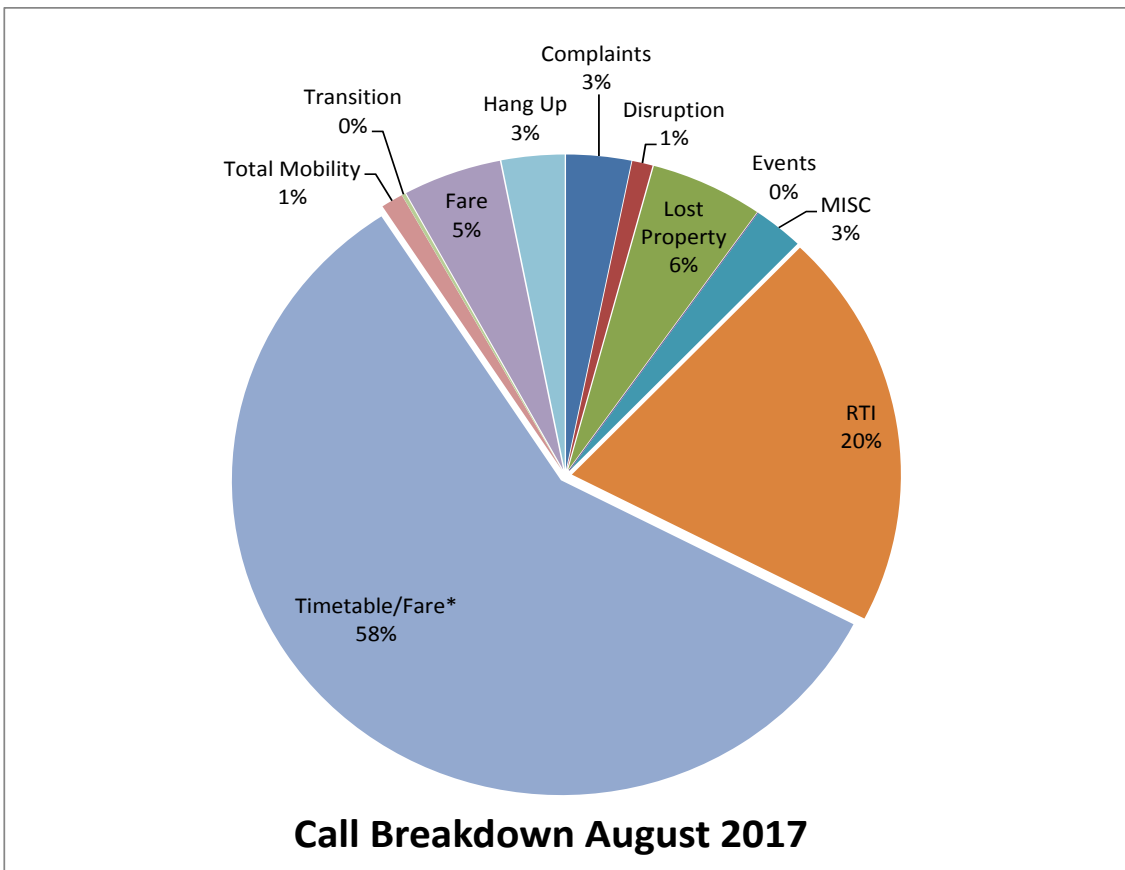
Issues affecting Service Levels during August

- Ongoing issues with diversions to bus services due the closure of Ngaio Gorge
- Various other slips in the region (apparently more than 1000 according to media) resulting in disruptions and diversions to bus services.
- 10th unplanned and planned leave leading to a reduced number of agents in periods throughout the day.
- 17th unplanned leave leading to a reduced number of agents in periods throughout the day

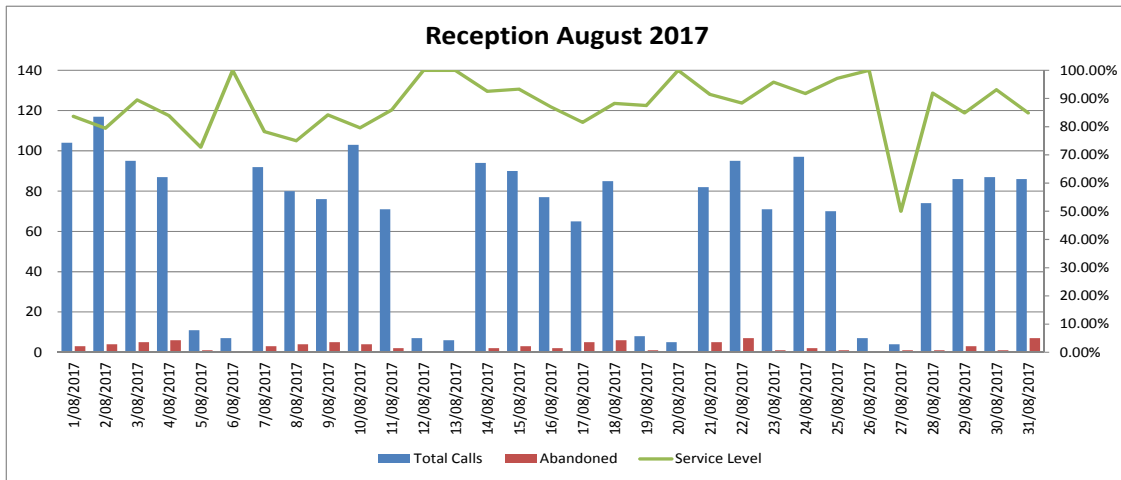
13913 calls were presented with an abandonment rate of 3.33%.

Metlink Service Level was 87.92% with an average handling time of 90 seconds and an average speed to answer of 13 seconds.

Attachment 1 to Report 17.322



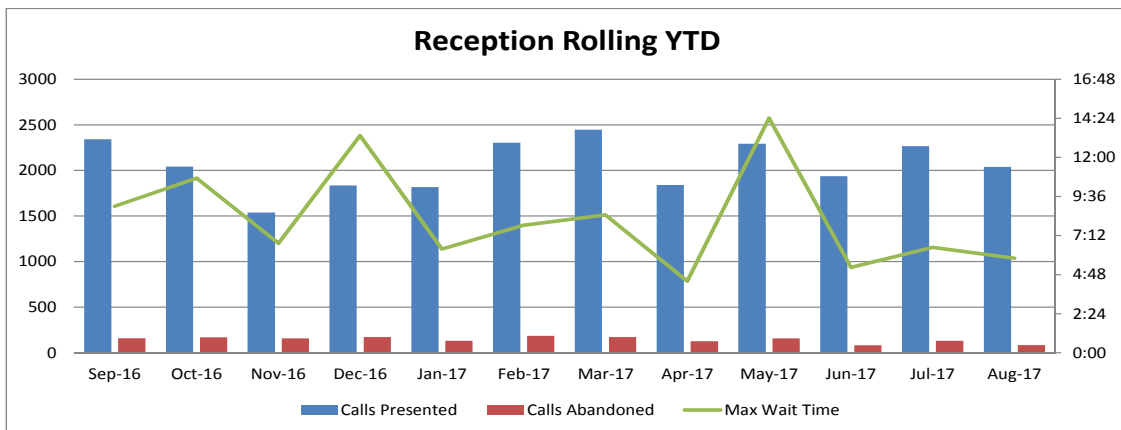
GWRC Reception



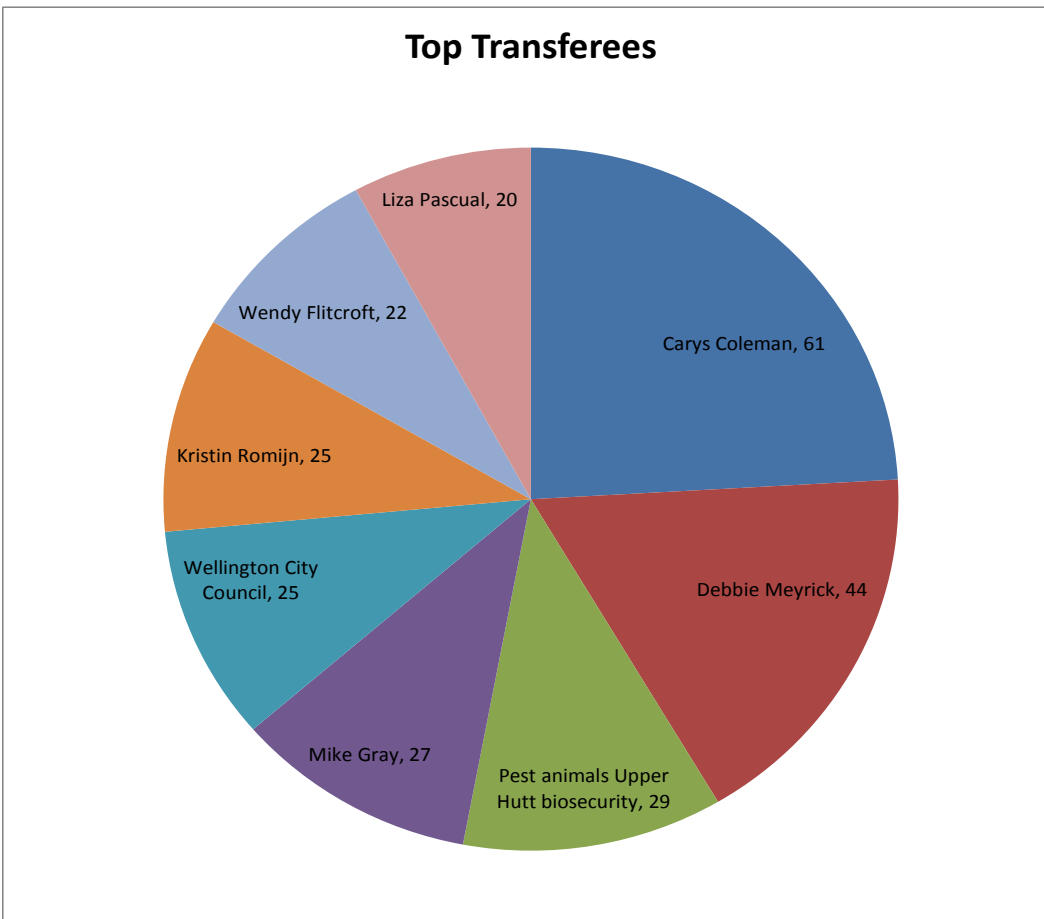
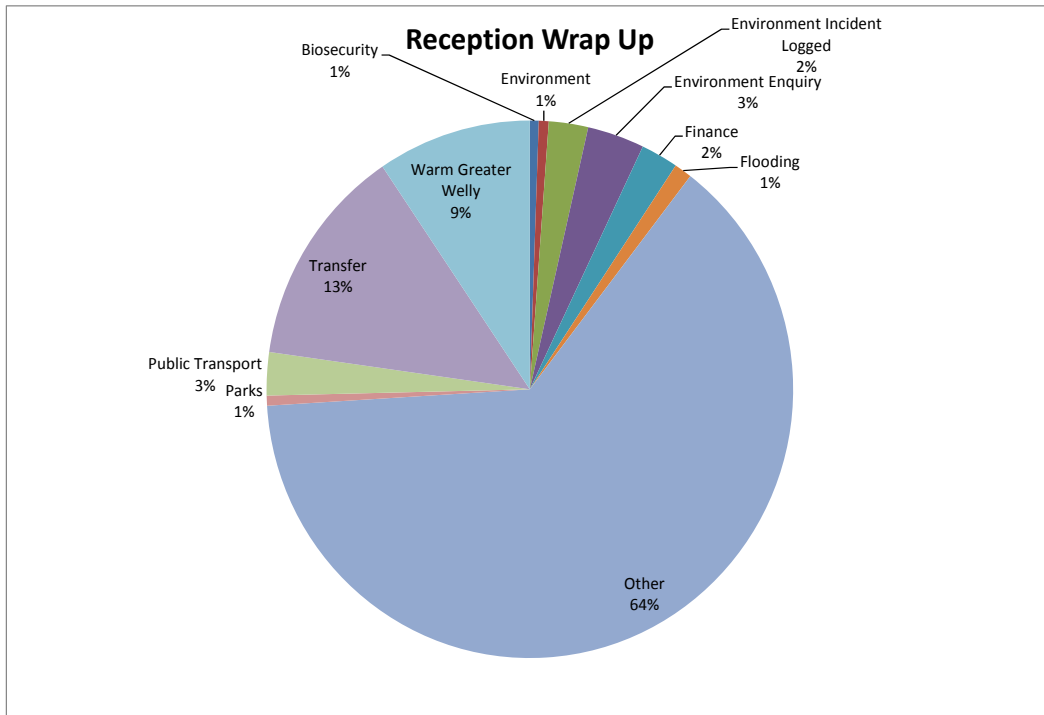
2039 calls were presented which is back around the same level as June. Abandonment rate was 4.17%. (1.53% lower than July) with a service level of 86.86% which is an improvement of 7.16%. Average speed to answer was 13 seconds.

1019 (49.98%) of calls received were transferred while the remainder were resolved by Contact Centre agents (50.02%). This is similar to last month and is the first time we have exceeded 50% two months in a row. This can be attributed to agents being given the resources to assist callers with Warmer Greater Wellington queries and balances. Transfers to Debbie Meyrick & Kristen Romjin decreased from 178 calls in July to 105. Warmer Wellington calls did decrease by around 50% from July to August.

Maximum wait time was 8m 12s occurring on Friday 4th between 1125-1130. On this day the Contact Centre (and the rest of the building) experienced a telecommunications outage that lasted from 1120-1140. During this time no calls could be answered. The next longest wait time was 5m 48s on the 29th at 0945.



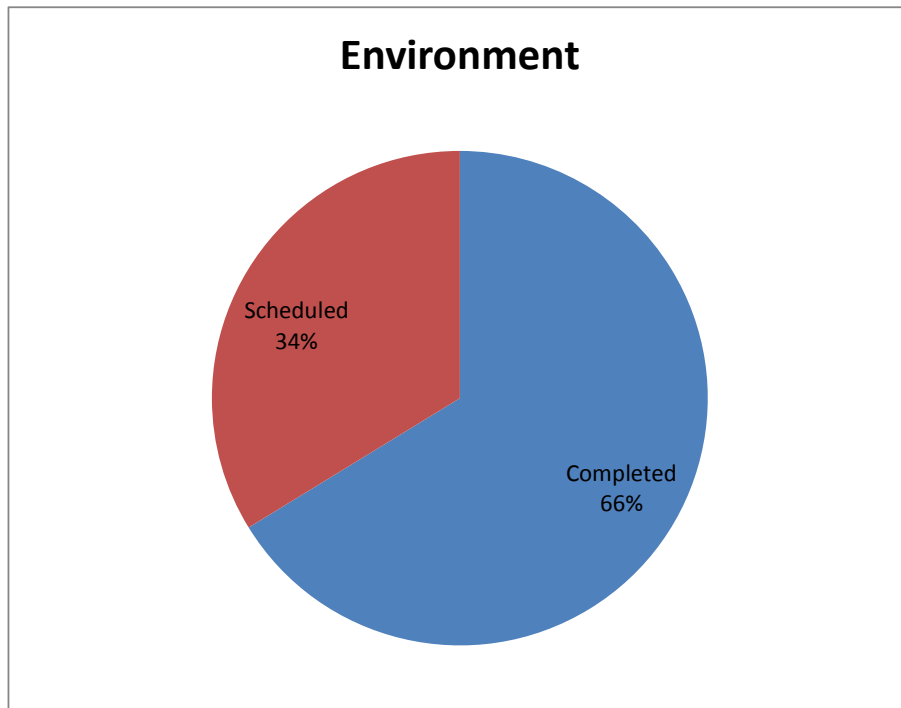
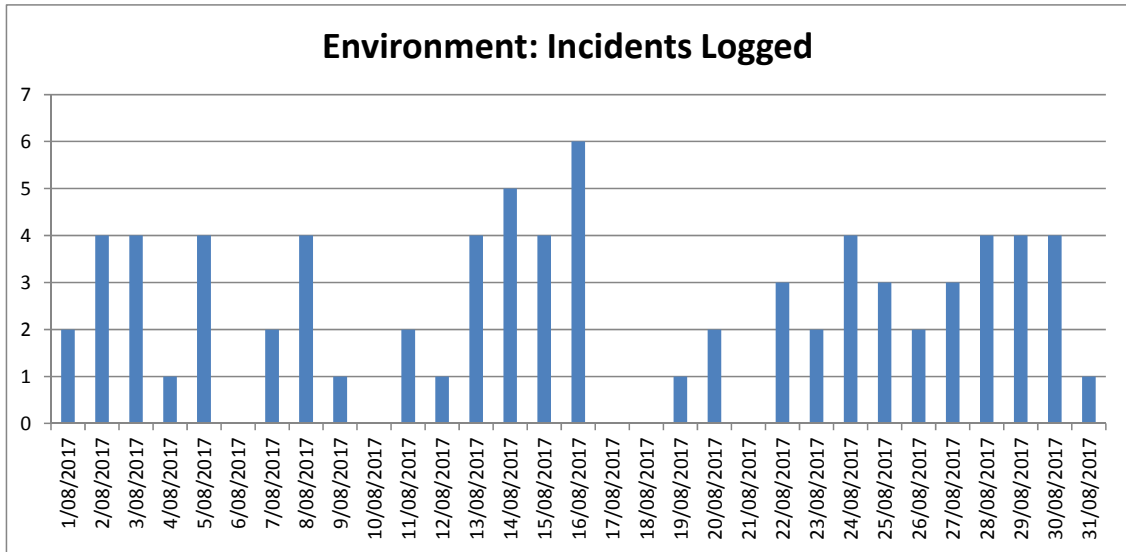
Attachment 1 to Report 17.322



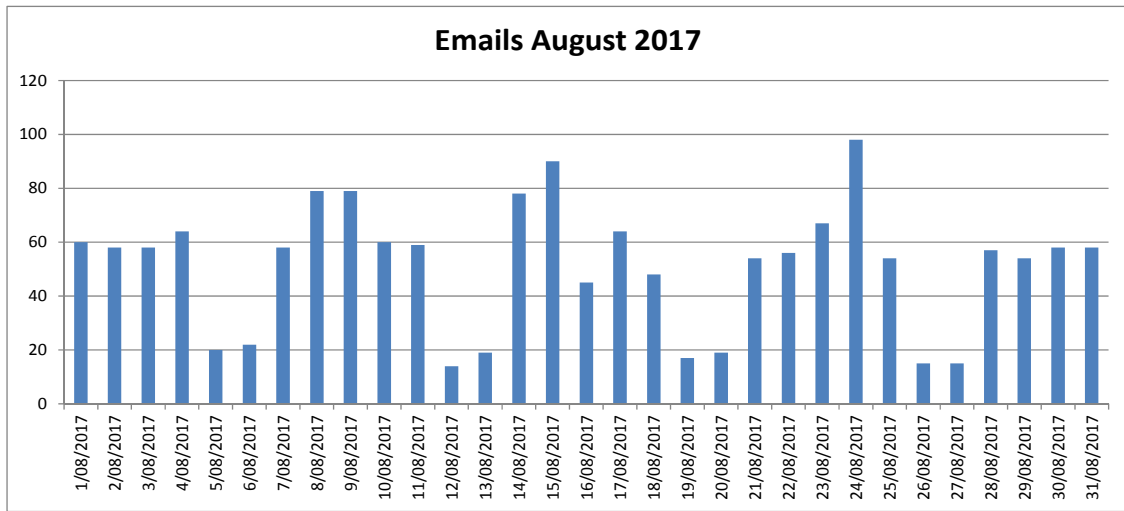
GWRC Environmental Help Desk

Attachment 1 to Report 17.322

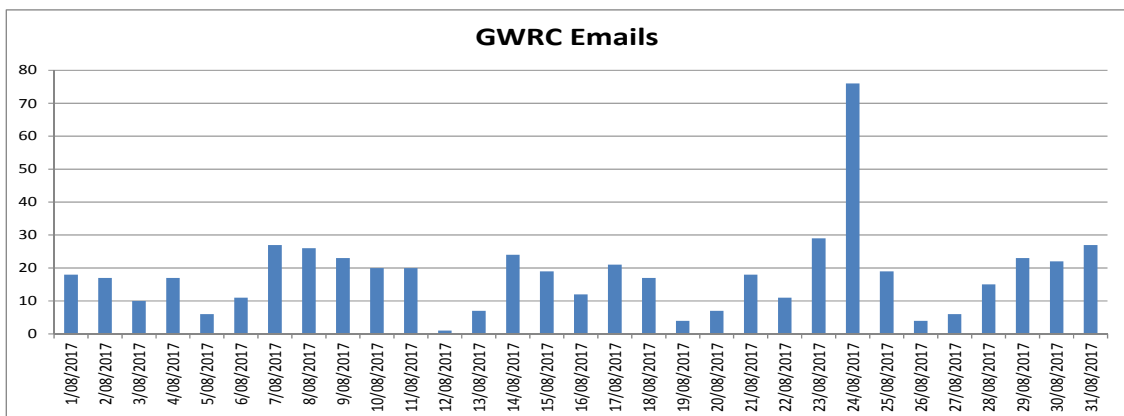
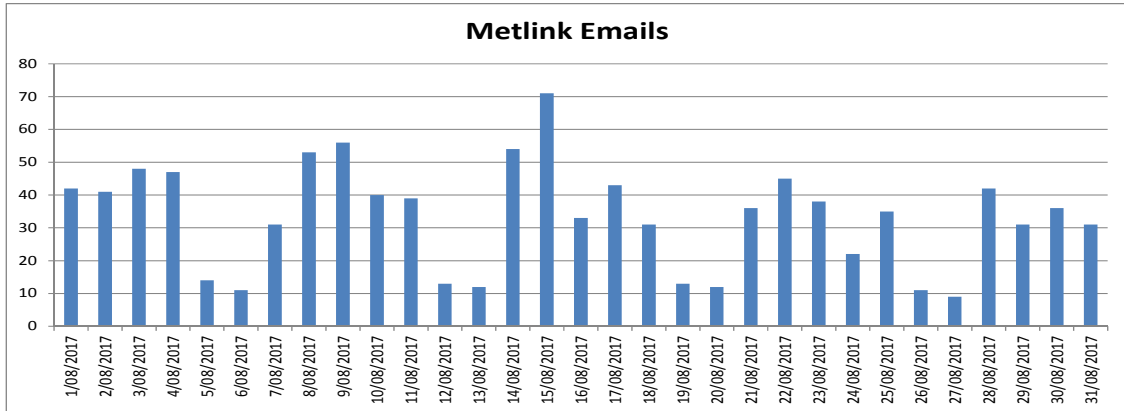
Contact Centre logged 77 Incident Reports through the month representing 2% of total calls received through Reception.



Metlink & GWRC Emails



Metlink received 1040 emails. Average speed to answer was 2 hours 40 mins. GWRC received 557. Average speed to answer was 2 hours 43 minutes. Average speed to answer across both was 2 hours 41 minutes. Volumes increased across both channels (Metlink +160 GWRC + 100) however average speed to answer decreased by 20 mins. A big jump in GWRC emails on 24th relate to the phishing attack. 52 emails related to this.



CRM (Resolve)

Rail

There were 226 Rail cases recorded for July with 81 (35.9%) First Contact Resolved (FCR). This equates to 10% more cases recorded FCR than last month.

| | |
|-------------------------|----|
| Staff | 58 |
| Operational Performance | 36 |
| Stations | 36 |
| Passenger Information | 20 |
| Vehicle | 13 |

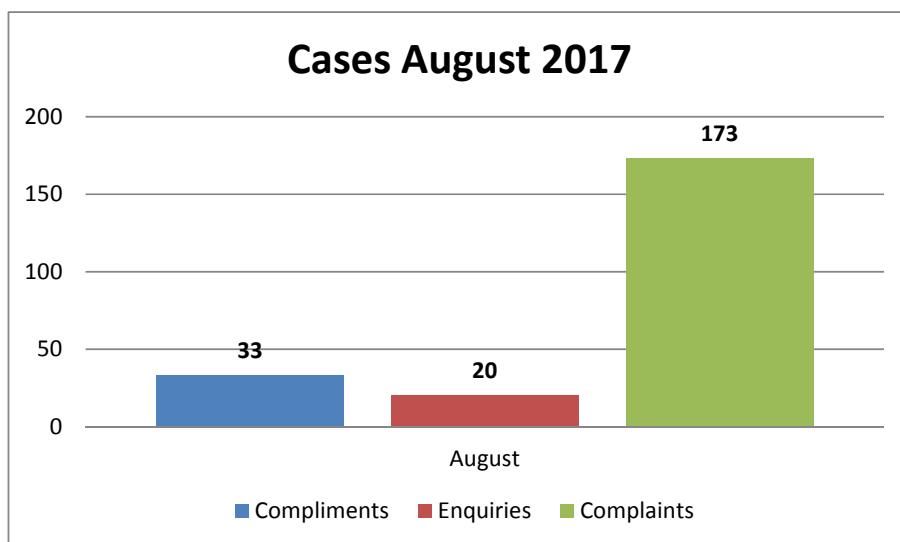
Staff - Hot Topics = Passenger Interaction

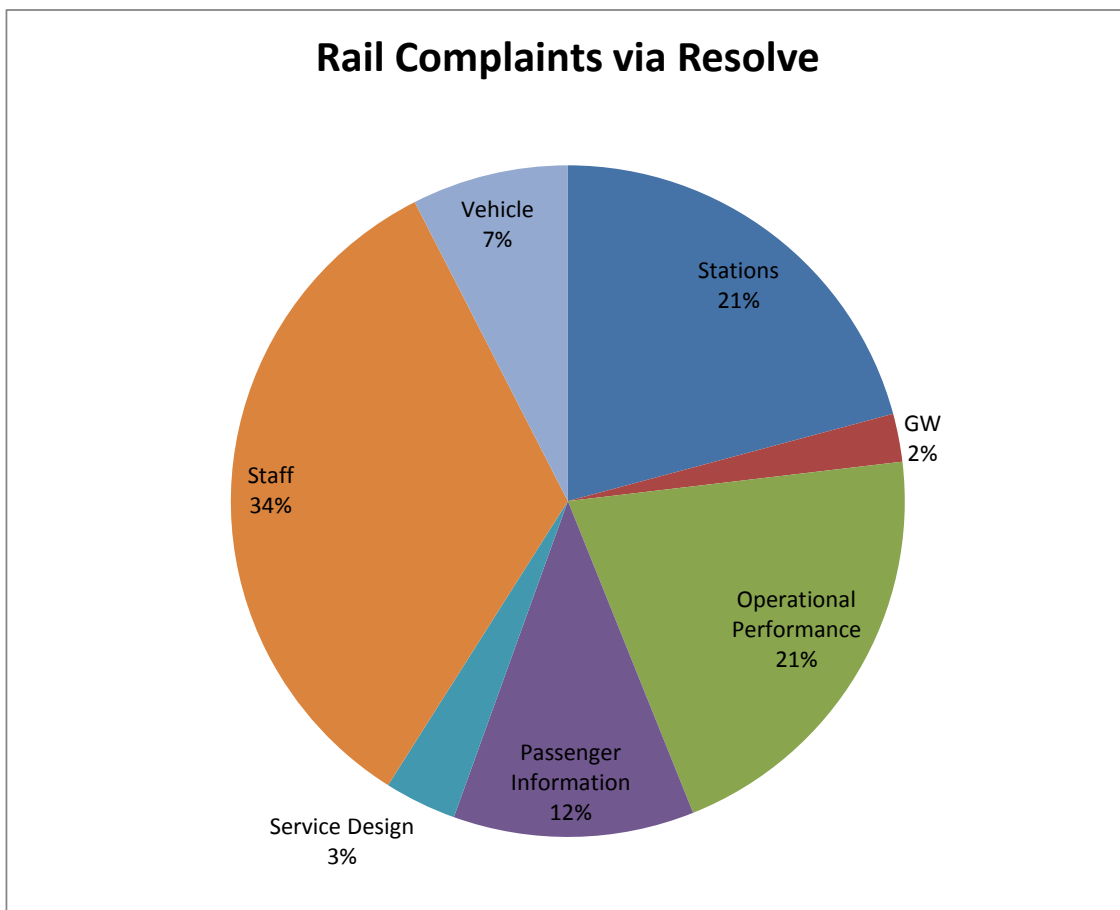
Operational Performance – Hot Topics = Failed to pick up, Bus replacements, Ran early/late

Stations – Hot Topics = Park and Ride

Passenger Information – Hot Topics = PA

Compliments = 33 (all but 2 related to staff)





Bus (Valley Flyer)

There were 189 Valley Flyer cases recorded for July with 88 (46.5%) First Contact Resolved (FCR) which is 9% more than last month.

| | |
|-------------------------|----|
| Operational Performance | 93 |
| Staff | 72 |

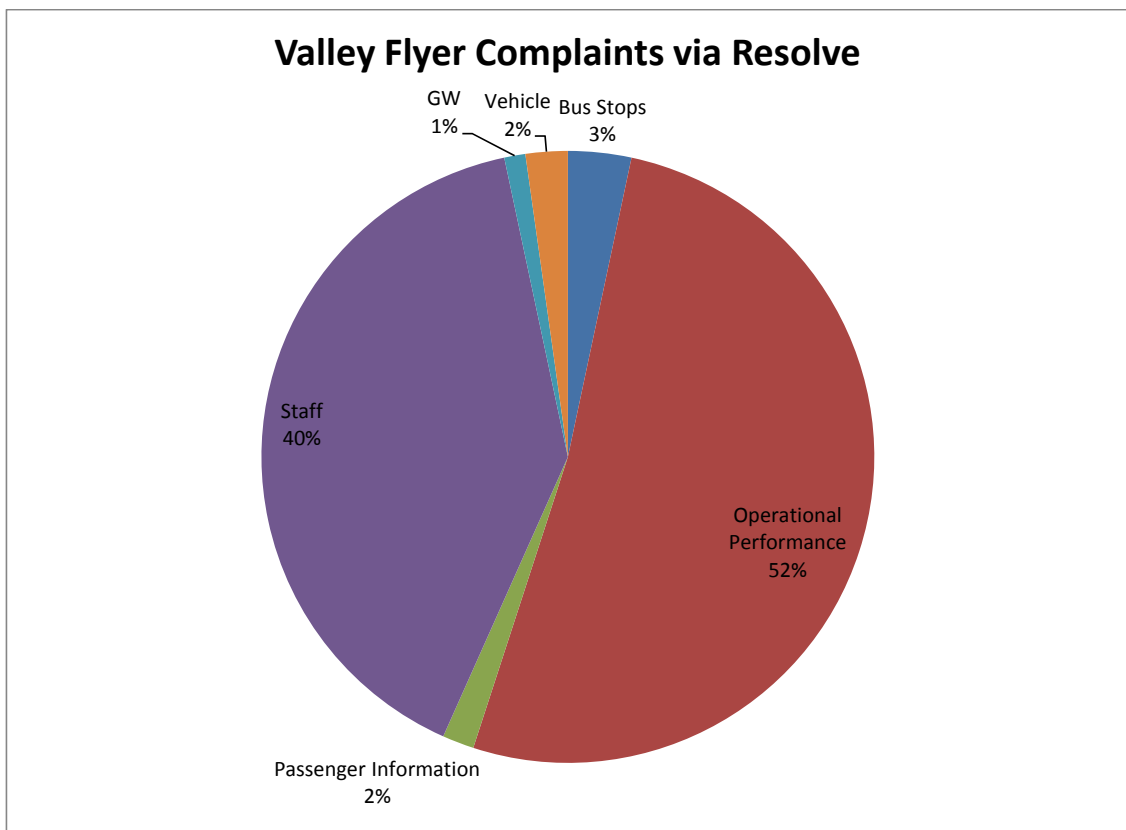
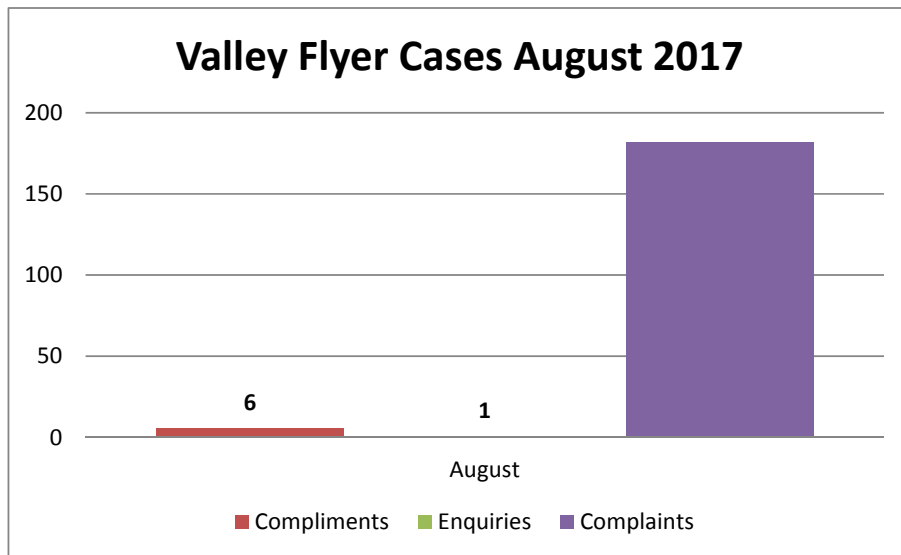
Operational Performance – Hot Topics = Failed to pick up, Failed to appear

Staff – Hot Topics = Driving, Passenger Interaction

Compliments = 6 (all staff).

Top 3 Bus Routes = #110, #91, #160

Attachment 1 to Report 17.322



Bus (Mana)

There were 106 Mana cases recorded for August with 42 (40%) First Contact Resolved (FCR) which is a slight decrease on last month

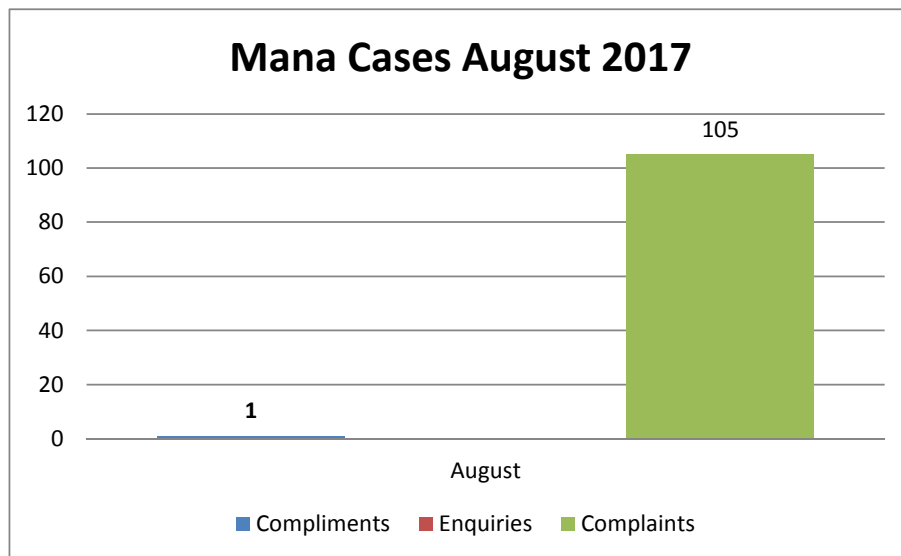
| | |
|-------------------------|----|
| Operational Performance | 54 |
| Staff | 36 |

Operational Performance – Hot Topics = Failed to pick up, Failed to appear

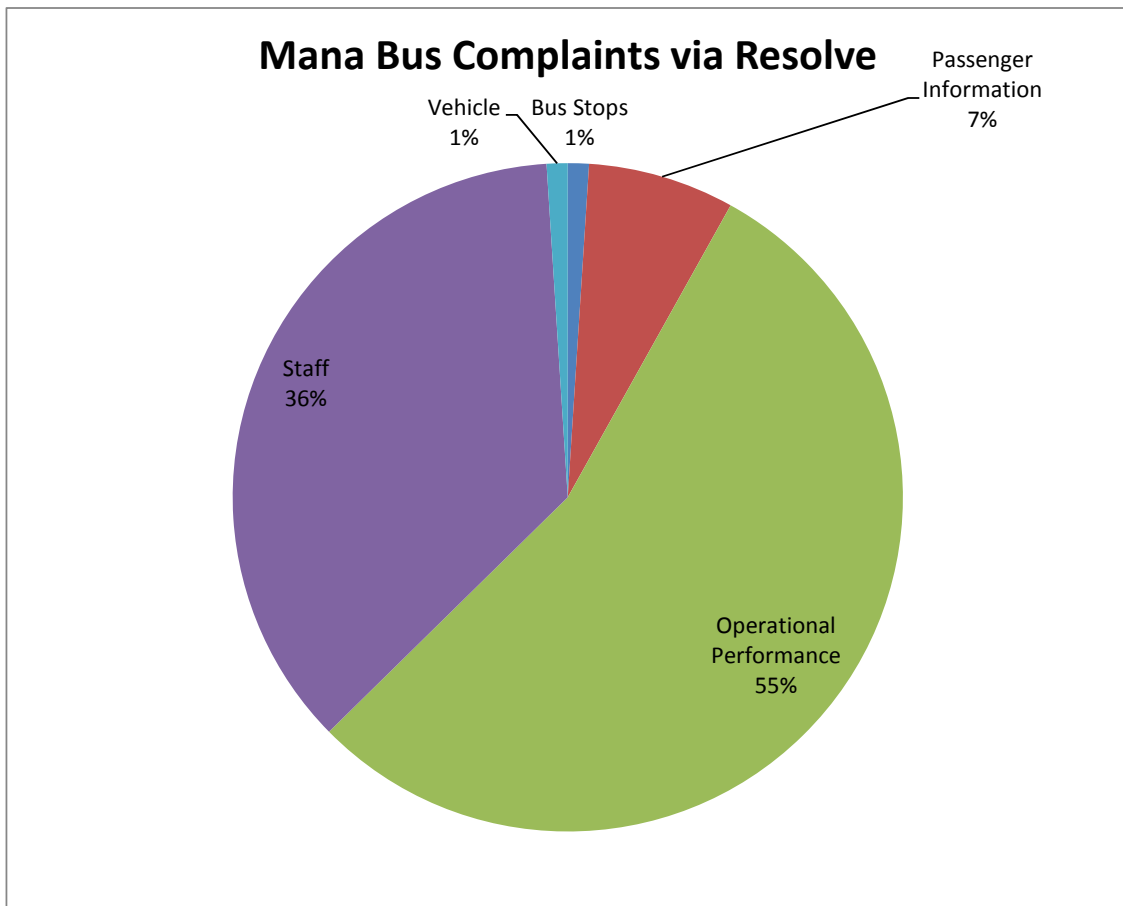
Staff – Hot Topics = Driving, Passenger Interaction

Compliments = 1 (staff)

Top 3 Bus Routes = #54, #220, #52



Attachment 1 to Report 17.322



Bus (Go Wellington)

There were 503 Go Wellington cases recorded with 301 (60%) First Contact Resolved (FCR). This is a 15% increase on last month.

| | |
|-------------------------|-----|
| Operational Performance | 274 |
| Staff | 134 |

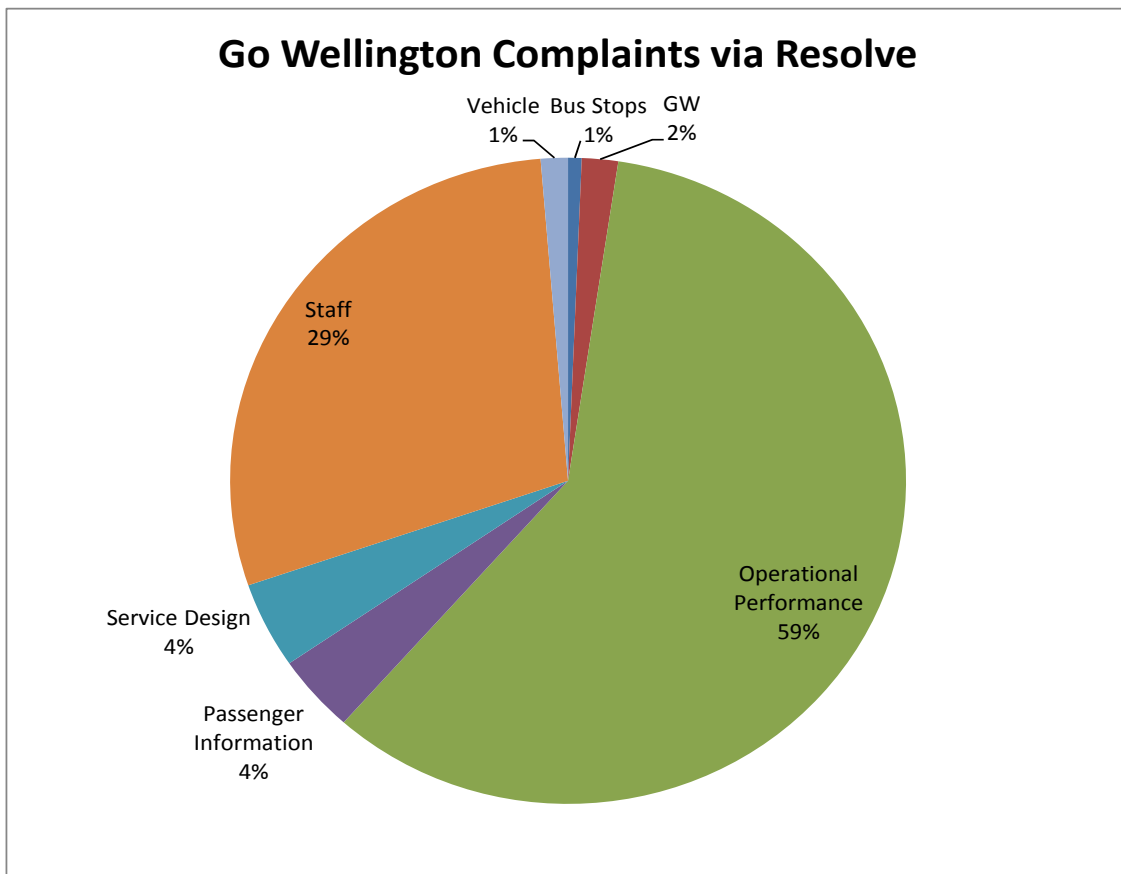
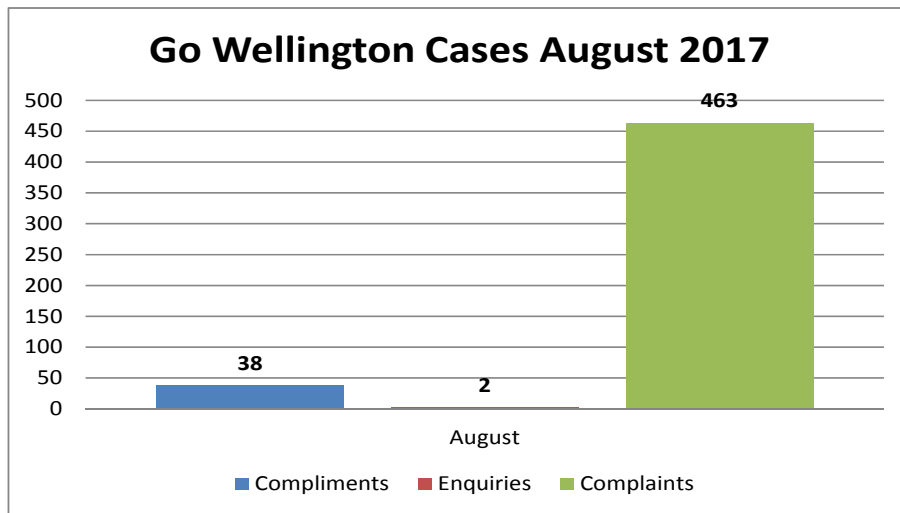
Operational Performance – Hot Topics = Failed to pick up, Failed to appear, Ran early, Ran late

Staff – Hot Topics = Driving, Passenger Interaction

Compliments = 1 (staff)

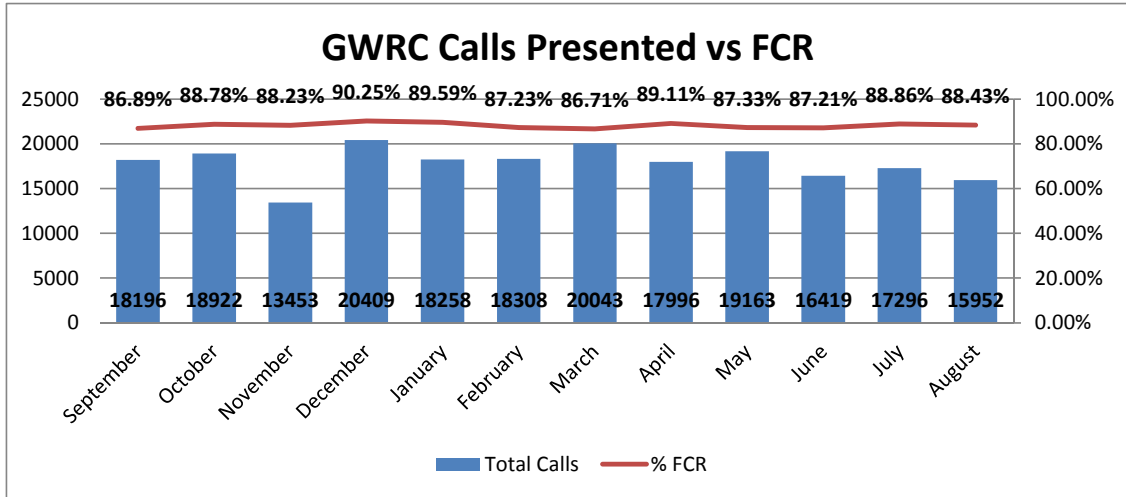
Top 3 Bus Routes = #3, #14, #1

Attachment 1 to Report 17.322



Overall, there has been a significant increase in the number of cases resolved on first contact which can be attributable to agents having more information at hand and the ability to close cases without further escalation. The follow on affect is that fewer cases are being referred to the Customer Resolution Team and an immediate response for the customer.

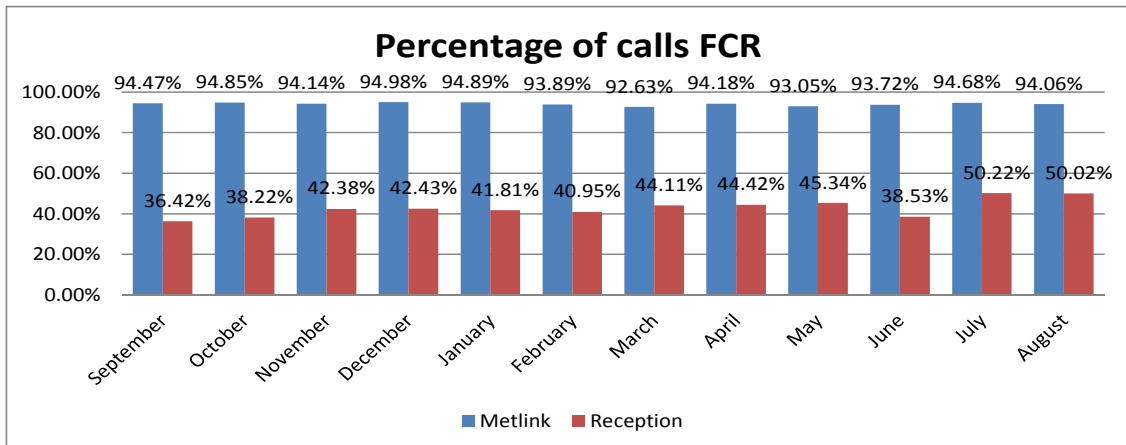
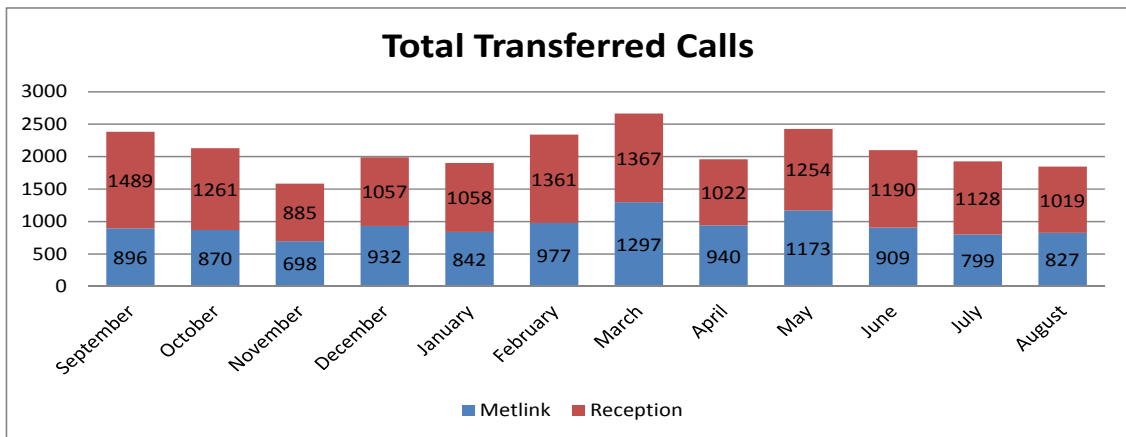
Transferred Calls



Calls Presented 15952

Calls Transferred 1846

Calls FCR 88.43%



Exclusion of the public

Report 17.349

That the Committee:

Excludes the public from the following part of the proceedings of this meeting namely:

1. *Public Transport Transformation Programme (PTTP) update*

The general subject of each matter to be considered while the public is excluded, the reasons for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 (the Act) for the passing of this resolution are as follows:

| <i>General subject of each matter to be considered:</i> | <i>Reason for passing this resolution in relation to each matter</i> | <i>Ground under section 48(1) for the passing of this resolution</i> |
|--|---|---|
|--|---|---|

- | | | |
|---|---|---|
| <ol style="list-style-type: none"> 1. <i>Public Transport Transformation Programme (PTTP) update</i> | <p><i>The information in this report relates to bus service contracting in the Wellington Region. Release of the information contained in this report would likely prejudice Greater Wellington Regional Council’s (GWRC) negotiations with bus operators as the report outlines matters that are the subject of negotiation. GWRC has not been able to identify a public interest favouring disclosure of this particular information in the public proceedings of the meeting that would override this prejudice.</i></p> | <p><i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(i) of the Act (i.e. to carry out negotiations without prejudice).</i></p> |
|---|---|---|

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified above.